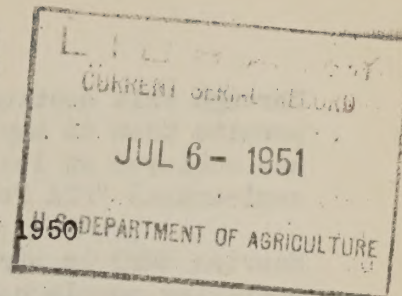


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UNITED STATES DEPARTMENT OF AGRICULTURE  
PRODUCTION AND MARKETING ADMINISTRATION  
Information Branch  
623 South Wabash Ave.  
Chicago 5, Illinois



FOR ADMINISTRATIVE USE ONLY

July 3, 1950

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: John C. Baker, Chief, Information Branch, Midwest Area

JCB

THIS WEEK'S SPOTLIGHT

Personnel

RIF, LA, 57, 2806, CSC, COB and EOD are probably strange symbols to most of us, but they all fit into the everyday jargon of the employees in the Area Personnel Division at 623 South Wabash. Under Personnel Chief Maurice P. Ward, a staff of 20 does the personnel job for about 3400 PMA employees in its assigned area.

And what an area! Technically, the Chicago personnel crew services PMA offices in the "Midwest" area of 11 states. But some Branches have regional organizations which extend far afield from this 11-state area. As a result, in establishing the various set of boundary lines served by Branches, the Chicago Personnel Division actually gets into 25 of the 48 states, and deals with 9 of the 14 Civil Service Regions. It's activity reaches Montana and New Mexico in the west, Louisiana in the south, and goes east to West Virginia.

The work of the Personnel Division is of three general types -- employment, classification, and personnel services. The Employment Section, under John F. Hays, is engaged in recruiting and selecting applicants for a variety of jobs which range from clerk through fork-lift operator, warehouse inspector, commodity inspector, accountant, and caretaker to veterinarian; the Section processes between 350 and 400 personnel actions a month; it is responsible for reduction-in-force and efficiency rating records, for disciplinary actions, utilization of personnel and regulations on leave and hours of duty.

The Classification Section under Harold D. Gross is responsible for surveying the thousands of jobs in the area, to place them in the proper grade according to duties and responsibilities.

The Personnel Services Section, under John N. Campbell, embraces a wide scope of personnel activities -- training, safety and health, injury compensation, employee welfare, retirement and other counseling, and employee incentives.

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Through this section Chicago employees have a "Buying Service" which permits them to buy many types of goods at reduced prices. John Campbell has achieved at least local fame for his creation and direction of the semi-annual "PMA Follies," staged by and for PMA employees in Chicago.

Maurice Ward is strong on cutting red tape out of personnel work. "Our operating people have full time jobs of their own," he says. "They should not be bothered with useless paper work and reporting to a personnel office; as a result, we simplify wherever we can. Just a few years ago, all appointments, job classifications and the like had to be approved by the Office of the Secretary in Washington. Now we can take final action in Chicago on almost all jobs up to Grade GS-12, and on a few even higher than that. We're here to help our operating people get their jobs done as easily as possible, and whenever we can cut out useless detail, we'll cut it."

\* \* \* \*

#### ON THE CALENDAR

- Wednesday, July 5 -- Ames, Iowa - H. I. Miller, Poultry Branch, Washington, visiting consultant at Iowa State College marketing seminar.
- Traverse City, Michigan -- National Cherry Festival
- Wednesday, July 5-8 -- Columbia, Missouri, Hatchery Short Course, University of Missouri
- Wednesday, July 5-15-- John B. Sherfy, Grain Branch, Washington, to Indiana, Illinois, Iowa, Wisconsin, and Minnesota, regarding soybean price supports.
- Thursday, July 6 -- East Lansing, Michigan - Michigan Seedmen's Conference.
- Monday, July 10 -- East Lansing, Michigan - Conference of county Extension agents.
- July 10-14 -- West Lafayette, Indiana - Purdue Hatchery School
- Friday, July 14 -- Brainerd, Minnesota -- National Turkey Federation Meeting.

## COMMODITY CREDIT CORPORATION

### Price Support Programs

Immediately after passage and signing of bill to increase lending authority of CCC, price support programs were announced on June 27 for the six basic commodities, wheat, corn, cotton, rice, tobacco, and peanuts.

Main provisions of each program follow:

On all commodities, producers must comply with acreage allotments.  
Wheat - 90% of parity on July 1. Exact prices to be announced soon.  
Loans and purchase agreements, with CCC again paying storage charges, either to farmer or warehouse.

Corn - 90% of parity as of October 1, for commercial corn area; for non-commercial area, 75% of commercial rate.  
Loans and purchase agreements.

Cotton - 90% of parity as of August 1; interim loan rate on early harvested cotton at 27¢ per pound, Middling 7/8 inch cotton as basic grade. Producers must also comply with marketing quotas.

Tobacco- Flue-cured, 90% of parity July 1; Burley, 90% of parity October 1; Fire-cured, 75% of Burley rate; dark air-cured and Virginia sun-cured, two-thirds of Burley rate. Producers of these principal types of tobacco also must comply with marketing quotas. Support by loans.

Rice--- 90% of parity August 1. Support by loans and purchase agreements.

Peanuts- 90% of parity August 1. Recent legislation provides that grower who plants above allotted acreage may receive price support if acreage is not above that of 1947, and if grower delivers peanuts to designated handlers for crushing; possibility that some types of peanuts may be in short supply, and so peanuts delivered for oil may be used for edible purposes, with extra return to growers being handled through pooling arrangement.

\* \* \* \*

Sales of wool by FMA were suspended indefinitely on June 30, because CCC-owned supply is virtually exhausted. Supply year ago was about 100 million pounds. Wool prices have been running well above support price, so no wool has been bought and stored supplies have been sold.

### CHICAGO PMA COMMODITY OFFICE

Copy for the Grain Storage Handbook, for use by elevator operators, county and state committee members, and others concerned with storage of CCC-owned grain in Ohio, Michigan, Indiana, Illinois, and Iowa, has been completed and is in hands of the Government Printing Office in Chicago. Mechanical problems at GPO will delay availability of printed copies until week of July 17.

### COTTON BRANCH

A total of loan repayments on 37,700 bales was reported during the week ended June 22. This compares with 148,200 bales in the previous week and 149,200 two weeks earlier. For the season through June 22 repayments totaled 1,864,500 bales, leaving 1,325,600 bales of 1949-crop under loan on that date.

Cotton textile trading continued active. Sharp increases in market activity particularly in the price cloths and sheetings were noticed.

Generally warm, fair weather favored development and cultivation of cotton and checking of boll weevil infestation.

### OFFICE OF COMPLIANCE AND INVESTIGATION

Harold Cook, Rising Sun, Indiana, was fined \$100 in the United States District Court for the Eastern District of Kentucky after pleading guilty to an indictment charging the defendant with making false and fraudulent statements regarding the origin of certain tobacco which he produced in 1948. In connection with this case Cook also paid over \$2,000 in penalties due under the Marketing Quota Regulations and as refund for pledging ineligible tobacco under the Tobacco Loan Program.

\* \* \*

Sidney A. Pyne, chief of accounting investigations division, retires July 19, after 15-1/2 years with USDA, in Chicago, New York, Washington. Plans three month trip to Europe leaving July 20. Mr. Pyne will be succeeded by Albert Christian, who formerly occupied the same position, and returns from four years with Commodity Exchange Authority.

\* \* \* \*

DAIRY BRANCH

More time, to July 5, was allowed for filing exceptions to proposed milk order for Milwaukee. Handlers requested additional time.

\* \* \* \*

Federal order actions covering the milk marketing areas of Boston, Philadelphia, and Rockford-Freeport, Ill., were announced this week. A revision was made in the Rockford-Freeport "butter-powder" price formula designed to keep prices in the area more closely in line with those in the nearby Chicago market.

Price-Support Purchases and Sales Through June 23:

<u>Product</u>	(Figures in Pounds)		<u>1949-50 Purchases Unsold as of June 23</u>
	<u>Purchases</u>	<u>Total 1950 Purchases</u>	
	<u>Week End. June 23</u>		
Butter A	6,268,428	65,341,936	{ 165,500,000
Butter B	4,551,578	20,649,550	
Butter C	--	--	
	<u>10,820,006</u>	<u>85,991,486</u>	
Cheese	7,029,439	48,911,902	63,500,000
Spray milk solids	11,959,277	168,385,100	{ 287,700,000
Roller milk solids	3,682,278	74,339,497	
	<u>15,641,555</u>	<u>242,724,597</u>	
<u>Product</u>			<u>1950 Sales to Domestic Trade</u>
	<u>Sales to Trade</u>	<u>Week End. June 23</u>	
Butter A	--	--	173,465
Butter B	--	--	5,669,202
Butter C	--	--	632,061
			<u>6,474,728</u>
Cheese A	41,587		6,092,812
Cheese B	--		944,793
Cheese C	--		334,525
	<u>41,587</u>		<u>7,472,130</u>

## FATS AND OILS BRANCH

### Inter-Term Seminar at the University of Chicago

Dr. John Brewster, Research Division, Fats and Oils Branch, is spending six weeks at the University of Chicago to participate in an inter-term seminar on the subject of "Economic Efficiency; Its Meaning, Measurement, and Application to Agriculture."

### 1949-Crop Peanut Price Support Program Purchases and Sales

As of June 17, 1950, CCC had made the following purchases and sales of peanuts under the 1949 crop price support program:

	<u>Purchases</u>	<u>Sales for Crushing</u>	<u>Sales for Edible Uses</u>	<u>Sales for Export</u>
Farmers' stock Peanuts (tons)	37,252	19,539	16,918	-
No. 2 shelled peanuts (lbs.)	447,301,175	372,724,999	-	74,576,176

## FOOD DISTRIBUTION PROGRAMS BRANCH

During the 1950-51 school year, the FDPB will conduct a special campaign to improve food storage practices in schools. This is part of the overall program to improve the quality of school meals and to reduce prices to children. The Branch has developed a set of 14 posters for use at workshops sponsored by State School Lunch agencies this summer. Done in cartoon style, in black, red, and white, these posters illustrate the key points to consider in the operation of school lunch storerooms.

Starting with the ideal storeroom which features a separate room designed only for storage of foods, the series highlights: ways of ventilating storerooms, how to keep out heat and light, how to stack food properly on racks and shelves, and the necessity of keeping the storeroom temperature between 40 and 70°. Emphasis is also given to ways and means of controlling rodent and insect infestations. The storage life of various foods is given and some management practices that have a bearing on the orderly movement of stocks and supplies are also illustrated.

Sets of these posters are being made available only to State school lunch agencies for use in workshops and training programs. Miniature reproductions, assembled in pamphlet form, are to be provided State agencies for distribution to school lunch managers and cooks attending workshops.

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FOOD DISTRIBUTION PROGRAMS BRANCH

Direct Distribution

As of June 26 under Section 416 of the Agricultural Act of 1949, State distributing agencies have placed orders for 6,915,978 pounds of butter, 3,403,656 pounds of cheese, 2,037,222 pounds of dried eggs, 4,648,445 pounds of nonfat dry milk solids and 64,262,750 pounds of Irish potatoes. In addition, under Section 3, Public Law 417 these same agencies have placed orders for 67,272,800 pounds of Irish potatoes. School lunch programs, charitable institutions and welfare cases have all participated in the distribution of these commodities.

Plentiful Foods

The Midwest area office will cooperate with the state of Michigan in a marketing program on raspberries which will be moving to market from that state July 10-30. Walter Patterson, food trades representative, expects to attend a meeting on raspberry marketing at Benton Harbor, Michigan, Thursday. Michigan will have a large crop of raspberries and size of marketings from that state has shrunk from 100,000 crates in 1942 to 50,000 crates in 1949.

FRUIT AND VEGETABLE BRANCH

Members of the committee which will direct operation of Federal Marketing Order regulating handling of Irish potatoes grown in Michigan, Wisconsin, Minnesota, and North Dakota were announced on June 28. Appointments by Secretary of Agriculture. Committee consists of 12 producers and four handlers.

Marketing Programs Division

Victor Ekstrom, of the Chicago office, is at Minneapolis this week working with the North Central Potato Committee officers there.

Regulatory Division

The PACA license of O. T. Wilcox, Greenville, Michigan, became automatically suspended on June 23, through failure to pay reparation of \$167.50, plus interest, awarded to C. H. Robinson Company, Minneapolis. Suspension was made by order of Secretary of Agriculture of May 18. Figure represents unpaid balance on brokerage fees for potatoes sold in 1947. License will be suspended until settlement is made, and Wilcox cannot deal in fruits or vegetables in interstate commerce without further violating Perishable Agricultural Commodities Act.

\* \* \*

Regulatory actions at seasonal low point, with staff presently working on large backlog of cases. Current cases mostly deal with disagreements on prices and grades of potatoes, carrots, and lettuce.

FRUIT AND VEGETABLE BRANCH (Cont'd)

Revised U. S. standards for grades of canned pineapple have been published and became effective June 27.

Four cars of cabbage -- a total of 1,972 crates -- were purchased during June in the Marietta district of southeastern Ohio.

Purchase of 1949 crop potatoes through June 26 totaled 46,199,348 hundred-weight. Of this amount 3,193,321 hundredweight went to direct distribution; 680,648 to flour; 6,740,268 to starch; 104,766 to glucose; 51,921 to dehydration; 459,649 to alcohol; 25,901,092 to livestock feed; 4,442,847 to export; and 4,624,836 went to on-farm non-feed disposition.

Purchase of 1950 crop potatoes through June 26 totaled 1,438,886 hundred-weight. Of this amount 421,393 hundredweight went to livestock feed; 7,168 to penal institutions; 59,778 to Section 416; and 950,547 were dumped.

Export subsidy programs through June 24 stood at:

Fresh oranges, 1,134,651 boxes; \$1,871,411

Canned single strength orange juice, 63,631 cases No. 2's;  
\$64,759.

Concentrated orange juice, 46,892 gallons; \$67,842.

GRAIN BRANCH

U. S. Agricultural Attache C. A. Boonstra, assigned to Argentina, told Grain Branch staff this week that Argentina is planning to increase wheat production for increased competition in world trade. Argentina had poor corn crop this winter, but won't feed wheat since winter pastures of oats, rye, and barley (and supply of oil cakes) are sufficient for feeding requirements. Price guarantees to small farmers have been increased to induce greater wheat production. Boonstra said food-particularly meat-- is plentiful and cheap in the Argentine, but everything else is high priced.

U. S. carryover of all dry edible beans at close of 1949-50 season (September) will total about 10.2 million bags, almost double that of the estimated 1948-49 carryover. A year-end carryover of about 2 million bags usually has been considered adequate. CCC will hold practically total carryover, which includes about 5 million bags from the 1948-49 crop.

Carryover of dry smooth peas is estimated at 755,000 bags, about 140,000 more than the 1948-49 carryover. CCC will take over and own about 680,000 bags or practically all the carryover at the end of the year.

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GRAIN BRANCH (Cont'd)

Sales of 200,000 metric tons of grain sorghum to India was announced on June 28. Sorghums will be used for human food.

\* \* \*

CCC added another year to period for offering guarantees of use to grain elevator operators. Offers now will be made until June 30 next year, and will cover three years for new construction and two years on new additions. Purpose is to encourage construction of additional storage space.

\* \* \*

Final report on 1949 small grains put under price support shows increase over previous year. More farmers used loans and fewer used purchase agreements as means of obtaining support. Totals follow:

Wheat	379.3	(Millions of bushels)
Barley	32.9	" " "
Oats	42.9	" " "
Rye	1.2	" " "
Flaxseed	11.9	" " "
Soybeans	16.1	" " "
Sorghums	45.7	(Millions Cwt.)
Beans	8.8	" "
Peas	1.1	" "
Rice	8.2	" "

PERSONNEL

John Hays, acting chief, has returned from Washington, where he was concerned with personnel procedures in absorption of new offices into PMA.

\* \* \*

S. E. Levka, classification section, has returned to Chicago from 30 days detail to Atlanta area office. A repeat assignment later this month to same office is in prospect.

\* \* \*

POULTRY BRANCH

Midwest area office of the Poultry Branch was closed effective June 30. Charles Hawks, area representative, joins Poultry and Egg National Board to head a project in training retailers in merchandising and storage methods; project is financed by USDA under Research Marketing Funds. Valdene Bronell, secretary, transfers to Office of Compliance and Investigation.

\* \* \*

Total purchases of dried whole eggs for price support this year now amount to 70,250,914 pounds, including a buy of 3,930,290 pounds made this week for July delivery. Total purchases now top the 1949 buy of dried whole eggs by 1,442,896 pounds.

Cancellations under this week's purchases, amounted to only 105,125 pounds.

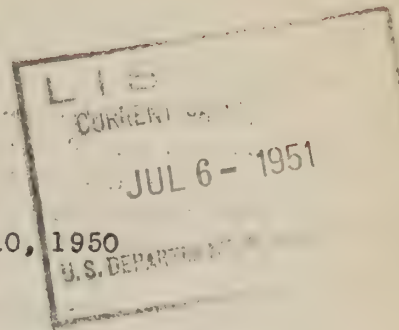
No sales of dried eggs for export were made this week.

The U. S. Department of Agriculture this week (no press release) offered approximately 100,000 pounds of salvaged and off-condition dried whole eggs for use in animal feeds and for other non-food uses. The sale of the powder, stored in various warehouses, will be made on an offer and acceptance basis "as is and where is" in carlots or truckloads f.o.b. the present locations. Bids on the powder must be received by the Department by noon (EDT) Wednesday, July 12, 1950. The product must be denatured under supervision of and to the satisfaction of an inspector approved by USDA before it can be removed from its present locations. These arrangements may be made by prospective buyers with the Dairy and Poultry Inspection and Grading Division, FMA, USDA, South Agricultural Building, Washington 25, D. C.

The Department will not guarantee the suitability of the salvaged powder for any specific use. In the past, however, such powder has been used by manufacturers of feed mixes, raisers of fur bearing animals, dog food canners, producers of leather tanning compounds and oil extractors.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
PRODUCTION AND MARKETING ADMINISTRATION  
Information Branch  
623 South Wabash Avenue  
Chicago 5, Illinois



For Administrative Use Only

July 10, 1950

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: Vincent P. Freymann, Acting Chief, Information Branch,  
Chicago, Illinois

This Week's Spotlight

ADMINISTRATIVE SERVICES

You enter the building where your office is located, turn on the lights, turn on the fan, take a drink of water from the cooler, sit down at your desk, uncover your typewriter, answer the phone when it rings. In the first five minutes of your day at the office, you've used half a dozen of the things provided by Administrative Services. And you'll keep right on using them all day long; a new supply of paper, a box of pencils, mimeographing to be done, a mailing list to be revised, a ribbon for the typewriter. And after you've gone home, the janitor staff comes in to empty the waste baskets, sweep the floor, and prepare the offices for the next day's activity.

Administrative Services is the housekeeping arm of PMA, providing space, materials, equipment, and the services which all branches of the organization need in order to function effectively. Mail delivery, messenger service, duplicating, handling of mailing lists, telephones are just a few of the activities which are provided directly by Administrative Services. If it's something to be provided by an outside organization, such as a set of hotel rooms, a printing job, or a truck to haul a display to the railroad station, Administrative Services is the organization that handles the arrangements. "We're like a travel bureau; we take the details off your hands so you can concentrate on having fun, in this case on the continuous trip of your program," says Richard Bender, Chief of Administrative Services in the Chicago area office.

Beyond the housekeeping activities, Administrative Services concerns itself with many of the broader phases of management, such as filing systems, and inventory control. In recent months, Mr. Bender and others on his staff have spent much time in PMA offices outside Chicago helping administrative officers and clerks in those offices to establish orderly files, a system called the Subject-Numeric Index. "Rather than have

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a hundred different systems for a hundred different offices handling the same type of material," says Bender, "we are trying to get all offices to standardize their filing methods so that anyone who is familiar with the system can find any item in the file, or all the available information on a given subject, with a minimum of time and effort."

Another current project of Administrative Services, with the backing of USDA officials right up to the Secretary, is one designed to do away with excess property inventories. Every unit of PMA, no matter how small, is being contacted and asked, and helped if necessary, to study the equipment it has on hand, and to declare as surplus anything that is not used in current activities. "You'd be surprised," says Bender, "at how much dust has been blown off equipment, and how much of that equipment is needed for actual use by someone else."

#### ON THE CALENDAR

Monday, July 10-14	--	East Lansing, Conference of Michigan county agents
10-14	--	West Lafayette, Purdue Hatchery school
Tuesday, July 11	--	Chicago, National Livestock Producers Association Board
Friday, July 14	--	Brainerd, Minnesota - National Turkey Federation
Monday, July 17-21	--	Minneapolis, International Baby Chick Association
17-21	--	West Lafayette, Indiana 4-H Club Conservation Camp - Purdue.
Tuesday, July 18-21	--	East Lansing, Michigan Homeamkers Conference, State College
Thursday, July 20-21	--	Chicago, Potato Research Committee, Regional Conference.
Sunday, July 23-29	--	National Farm Safety Week

## COTTON BRANCH

A new two-year high in cotton prices was reached this week when Middling 15/16 inch cotton in the 10 spot markets averaged 34.24 cents per pound on Thursday, July 6. This compares with 33.91 cents a week earlier and 32.36 a year ago. In mid-June, the average farm price was 96 percent of parity compared with 95 percent a month earlier and 100 percent a year ago.

Loan repayments on 133,500 bales of 1949-crop cotton were reported for the week ending June 29. This compares with 37,700 bales in the previous week and 148,200 two weeks earlier. Repayments for the season through June 29 totaled 1,997,800 bales leaving 1,192,300 bales under CCC loan as of that date.

Cotton Branch officials report that about 744,500 bales, over half of the total volume remaining under loan, are in Texas. Second largest volume is in Georgia with 85,700 bales under loan. CCC announced recent sales of 78,800 bales of 1948 pool cotton. Total sales of that cotton to date are 386,800 bales. CCC pool stocks now total about 3,394,200 bales. This plus the 1,192,300 bales of 1949 loan stocks gives a total of 4,586,500 bales of Government-financed cotton at the end of June.

The trade reports nearly one million bales were exported during May and June. Recent ECA cotton purchase authorizations included \$11,700,000 for Germany, \$800,000 for Greece and \$500,000 for Denmark.

## COMMODITY CREDIT CORPORATION

CCC issued regular monthly list of prices and quantities of commodities acquired under price support and available for domestic sale and export during July on June 30. Two releases with details.

Ralph S. Trigg, President of the Commodity Credit Corporation, U.S.D.A., reported that \$3,797,059,000 was invested in price-support program loans and inventories as of May 31, 1950, and that the Corporation sustained a net realized loss of \$201,308,000 in carrying out this program during the current fiscal year through May. (The net realized loss on the CCC-price support program for the fiscal year ended June 30, 1949, was \$254,000,000) Release June 30.

CCC announced it has completed contract awards under its announcement of June 12 inviting offers on exhaust fans for conditioning grain in storage structures. Two awards were made under this announcement. Release July 3.

# DAIRY BRANCH

Notice has been sent to the evaporated milk industry that the Department is interested in the purchase of 240,000 cases of export-packed evaporated milk for shipment to Greece.

## Price-Support Purchases and Sales, through July 1:

(Figures in Pounds)

Product	Purchases June 26-July 1	Total 1950 Purchases	1949-50 Purchases Unsold as of July 1
Butter A	5,360,193	70,974,383	(
Butter B	4,851,129	25,472,664	( 175,700,000
	<u>10,211,322</u>	<u>96,447,047</u>	
Cheese	7,344,640	56,231,447	68,400,000
Spray milk solids	11,220,567	179,609,917	(
Roller milk solids	3,328,170	77,717,227	( 341,500,000
	<u>14,548,737</u>	<u>257,327,144</u>	

## 1950 Sales to Domestic Trade 1/

Product	Quantity (pounds)	Product	Quantity (pounds)
Butter A	173,465	Cheese A	6,092,812
Butter B	5,669,201	Cheese B	944,793
Butter C	632,062	Cheese C	334,526
	<u>6,474,728</u>		<u>7,372,131</u>

1/ No sales to trade week ending July 1.

# FATS AND OILS BRANCH

CCC recently sold through ECA financing 10.2 million pounds of raw linseed oil for shipment to Germany.

## 1949 Crop Peanut Price Support Program Purchases and Sales:

As of June 24, 1950, CCC had made the following purchases and sales of peanuts under the 1949-crop price support program:

	Purchases	Sales for Crushing	Sales for Edible Uses	Sales for Export
Farmers stock peanuts(tons)	37,252	19,544	16,918	none
No. 2 shelled peanuts (lbs.)	452,676,839	378,100,663 (more)	none	74,576,176

## FATS AND OILS BRANCH (Cont'd)

PMA announced import controls on fats and oils, rice, and rice products will continue in effect beyond June 30, 1950. Controls were to have expired on June 30, but new legislation enables the Department to continue limited import restrictions for another year. Release June 30.

## FOOD DISTRIBUTION PROGRAMS BRANCH

### School Lunch

During the last fiscal year, 7.9 million children participated in school lunch programs receiving federal assistance. This was an increase of one million children over the preceding year and established a new participation record. The number of meals served totaled 1,275,000,000, a 14 percent increase over the number served in 1949.

School lunch programs provided a large outlet for surplus commodities acquired under Section 32. Commodities valued at \$33 million were made available to schools during the past fiscal year, compared with approximately \$22 million worth in 1949. This is in addition to the foods distributed to schools under Section 6 of the National School Lunch Act which were valued at approximately \$17 million in 1950.

### Direct Distribution

Peak monthly participation in direct distribution exceeded 11 million persons in 1950, the highest level reported since 1941. Commodities distributed under all programs (Section 6, 32, and 416) totaled 700 million pounds, 56 percent higher than the amount distributed in 1949. More than 60 percent of the total quantity distributed went to school lunch programs.

### Plentiful Foods

Special effort is being made, as a Plentiful Foods activity, to boost the consumption of fresh currants and currant products through restaurant groups, and with food retailers in some of the big cities. There is a sizeable carryover of frozen stocks, plus a large fresh crop in New York state. Prices of currant jelly, in particular, are likely to be more competitive with lower-priced jellies. National food groups have been directly advised of this situation in currants, including manufacturers and preservers who may find currants to be an excellent alternative to other fruits for jelly in 1950.

## FRUIT AND VEGETABLE BRANCH

A proposed revision of U. S. standards for grading canned and frozen blueberries has been published in the Federal Register as a notice of proposed rule making.

New standards which have been developed for frozen corn on the cob and okra have been published in the Federal Register and will become effective in 30 days.

A revision of U. S. standards for frozen broccoli also has been published in the Federal Register and will become effective in 30 days.

Purchase of 1949 crop potatoes (approximate final marketing year figures) through June 30 totaled 77,151,613 bushels. Of this amount, 5,322,242 bushels went to direct distribution; 1,134,413 to flour; 11,307,552 to starch; 174,610 to glucose; 86,535 to dehydration; 765,915 to alcohol; 43,231,948 to livestock feed; 7,404,745 to export; and 7,723,653 to on-farm distribution. Estimated net cost of the 1949 program is about \$83.5 million. For the 1948 program the Department bought almost 134 million bushels at an estimated net cost of about \$224 million.

Purchase of 1950 crop potatoes through June 30 totaled 3,718,306 bushels. Of this amount 966,363 bushels went to livestock feed; 11,946 to penal institutions; 130,510 to Section 416; and 2,609,487 (all in North Carolina and Virginia) went to resale.

Export subsidy programs on June 30 stood at:

Fresh oranges, 1,258,167 boxes; \$2,075,212  
Canned single strength orange juice, 71,583 cases No.2's; \$73,117  
Concentrated orange juice, 46,892 gallons; \$67,841.  
Concentrated orange juice under export program QMX 41a, 1,800  
gallons, all from California; \$4,500. Destination: Norway.

USDA recommended adoption, subject to grower approval, of a proposed marketing agreement and order program for handling of Irish potatoes produced in certain counties of Nebraska. The proposed program would provide a method to regulate by grade, size, and quality, of any or all varieties, of shipments of potatoes grown in the production area.  
Release July 3.

PMA announced price which beekeepers receive for honey will be supported at 9 cents per pound during the 1950 marketing season which began April 1. Under the provisions of the Agricultural Act of 1949, price support of honey is mandatory for the first time, at levels ranging from 60 to 90 percent of parity. The 9 cents per pound is 60 percent of 60-pound container parity price as of April 1, 1950. In the 1949 season, prices to beekeepers were mostly in the range of 7 to 12 cents per pound for honey sold in 60-pound containers. Release June 30.

## GRAIN BRANCH

Purchases of grain during the period June 26-30 and cumulative totals for the season to date were reported by USDA July 3.

Wheat price support at a national average of \$1.99 a bushel to farmers for the 1950 crop was announced by PMA, USDA. Last year's rate was \$1.95 a bushel. Loans and purchase agreements covering 1950 crop will be available through CCC in accordance with general program provisions announced on June 27, pending determination of the specific support level announced today. (The 1950 average loan rate for U. S. Grade No. 1 is \$2.00 a bushel). The price support for the 1950 crop, as required by applicable legislative provisions, is 90 percent of parity at the beginning of the marketing year, July 1. July 1 parity is \$2.21 a bushel. For the same date last year the wheat price parity was \$2.17 a bushel. Release June 30.

Purchase of 5,511,500 pounds of Pacific export, straight, enriched flour for shipment from mills on or before July 20, 1950 to Pacific Coast ports for export to Formosa, was announced by PMA, June 30.

Farmers put 373,397,995 bushels of 1949-crop corn under CCC price support through May 1950. This compares with approximately 390,478,653 bushels of 1948-crop corn put under support through May 1949. Of the 1949 total, 319,326,861 bushels under farm-storage loans, 3,351,087 under warehouse-storage loans, and 50,720,047 bushels under purchase agreements. May 31 was last date of availability of price support for the 1949-crop, but loans outstanding on that date may be extended through July 1951 under the resealing program announced April 3 and May 25. Purchase agreements outstanding on May 31, 1950 also may be converted into loans for the extended period.

During the period June 21 to June 27, inclusive, CCC confirmed sales of 1,146,000 bushels of wheat (including wheat and wheat flour in wheat equivalent) under the International Wheat Agreement against 1949-50 quotas. The principal buyers were Greece, Belgium, and Peru. The cumulative sales of United States wheat and flour from August 1, 1949, through June 27, 1950, are 152,703,000 bushels. Release June 29.

Announcement (July 6) that 1950 crops of oats, barley, rye, and grain sorghums will receive price support under the permissive provisions of the Agricultural Act of 1949. National average levels of support, with comparisons for 1949, are as follows: 1950: Oats, 71 cents per bu.; rye, \$1.28 per bu.; barley, \$1.10 per bu.; grain sorghums, \$1.87 per cwt. 1949: Oats, 69 cents per bu.; rye, \$1.27 per bu.; barley, \$1.09 per bu.; grain sorghums, \$2.09 per cwt.

### LIVESTOCK BRANCH

Meat production under federal inspection for week ended July 1 totaled 277 million pounds, according to PMA. A big drop in hog slaughter brought total meat production down 3 percent. Release July 5.

### MARKETING FACILITIES RESEARCH BRANCH

Branch representatives will attend a marketing research workshop to be held at Purdue University July 9 - 19. The workshop this year concerns marketing costs and margins, and operational efficiency. Branch representatives will lead discussions on assembly and processing, materials handling techniques, and distribution of farm products.

\* \* \*

Over \$750,000 in food marketing costs could be saved each year at Indianapolis, Indiana, by new wholesale market facilities, the U. S. Department of Agriculture estimates. A part of the saving would result from reduction of spoilage and deterioration of highly perishable foods. The USDA report is based on a study of marketing of perishable foods in Indianapolis made under the Research and Marketing Act. Release July 3.

### OFFICE OF COMPLIANCE AND INVESTIGATION

A criminal information was filed in the United States District Court for the Southern District of Ohio charging Fred Jones and Harry E. Pierce, of Bethel, Ohio, and Minard Pierce, of Williamsburg, Ohio, with falsely identifying certain Burley tobacco with the intent of defrauding the United States by evading payment of marketing quota penalties, in violation of the Agricultural Adjustment Act of 1938, as amended, and Tobacco Marketing Quota Regulations.

### POULTRY BRANCH

Initial purchases of turkeys under the extended 1949 price support program were made this week. The Branch bought 5,081,776½ pounds at 36½¢ to 50½¢ per pound. The turkeys are for July and August delivery.

Dried whole egg purchases for price support purposes last week were under 3 million pounds for the first time in several weeks, the total amounting to 2,922,019 pounds with cancellations at 218,140 pounds. Purchases for the year to date now stand at 72,954,793 pounds.

Sales of dried eggs under the export program last week amounted to 44,100 pounds at 30 cents a pound f.a.s. New York. Sales now total 2,691,036 pounds under this program.

(more)

POULTRY BRANCH (Cont'd)

Plans are being made by the Information Branch and the Poultry Branch to help industry in changing over from the old style egg cases, fillers, and flats to the new style packing materials which are larger to accommodate the increased size of average eggs today. Manufacture of the new cases and inner packing materials has begun in accordance with standards and specifications approved and issued by USDA in January to become effective July 1.

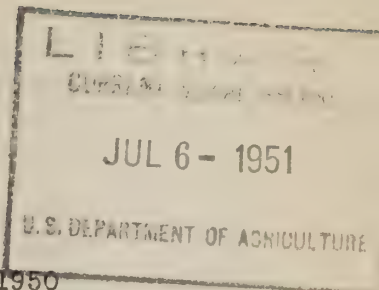
The new cases and packing materials have been devised as a means of helping to cut down losses through breakage of eggs in handling and in transit.

A fact sheet is being prepared for use by Area Information Offices, the Extension Service, poultry industry and manufacturing associations in the preparation of press and radio releases directed to users of egg cases and inner packing materials.



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UNITED STATES DEPARTMENT OF AGRICULTURE  
PRODUCTION AND MARKETING ADMINISTRATION  
Information Branch  
623 South Wabash Avenue  
Chicago 5, Illinois



FOR ADMINISTRATIVE USE ONLY

July 17, 1950

MIDWEST INFORMATION SUMMARY

TO: PMA Offices, Midwest Area

FROM: Vincent P. Freymann, Acting Chief, Information Branch,  
Midwest Area

*Vincent P. Freymann*

THIS WEEK'S SPOTLIGHT

FDPB's Plentiful Foods Program

One phase of the Food Distribution Programs Branch food distributive work is concerned with helping to move food in normal consumption channels before it becomes surplus. It's a program of helping to get the most from what we produce, and it's headed up in the Midwest Area by O. F. Beyer, who supervises all phases of FDPB's programs. Helping to carry it out is a sub-area office located at St. Louis, Missouri.

An important phase of the program starts near the close of each month in Washington, when representatives of FDPB and other PMA commodity branches get together and draw up a list of foods expected to be most plentiful in a given month. Then the list is dispatched to the Chicago office. There regional adjustments are made, the list is duplicated, and it's sent to more than 4,000 recipients. These include food wholesalers and retailers, public feeding establishments, organizations of many kinds, advertisers, the press, radio, and television stations.

Following through on that list, FDPB food tradesmen visit representatives of these various groups throughout the 11 Midwest states. When production of some one food threatens to get so heavy that even more attention needs to be directed to expected supplies, a special merchandising program is planned. In the last year, these programs have been put into effect to move bumper crops of apples, eggs, dry beans, turkeys, and dairy products.

Foods trades people visit conventions of various food groups, often to talk about supplies and merchandising programs. All in all, their work is an effort to keep producer, handler, and retailer coordinated in a consumer-directed effort to help utilize food when we have it.

(more)

To help emphasize the forthcoming abundances, FDPB directs attention of schools to them through the National School Lunch Program, and food preservation work of FDPB also is partly directed at making use of seasonal surpluses.

This Plentiful Foods program is limited to directing attention to supplies of foods generally used over the country, foods that are not luxury items, and that are generally available in most retail food stores.

#### ON THE CALENDAR

Monday, July 17-21	--	Minneapolis - International Baby Chick Association
17-21	--	West Lafayette, Indiana - 4-H Club Conservation Camp - Purdue
Tuesday, July 18-21	--	East Lansing, Michigan Homemakers Conference, Michigan State College
Thursday, July 20-21	-	Chicago - Potato Research Committee, Regional Conference, 623S. Wabash
Sunday, July 23-29	--	National Farm Safety Week
Monday, July 24	--	East Lansing - Flock Selection and Blood Testing School, Michigan State College
Tuesday, July 25	--	West Lafayette, Indiana - Summer Outlook Meeting, Purdue
Wednesday, July 26	--	Chicago - National Dairy Council, Edgewater Beach Hotel
Thursday, July 27	--	Indianapolis - Dairy Products Association, Annual Outing
July 27-28	-	Belleville, Illinois - Cannery Tomato Supervisors' Conference - G. R. Blount, Standardization Division, Fruit & Vegetable Branch, Washington, will attend.
Friday, July 28	--	Belleville, Illinois - Afternoon conference representatives tomato growers and processors.

#### COMMODITY OFFICE

Two important meetings have been scheduled for the Conference Room at 623 South Wabash Avenue this week. At the first on Tuesday, July 25, representatives of the Chicago PMA Commodity Office will meet with working committees of the grain trade at Chicago in order to obtain a more accurate appraisal of the grain storage situation and of available commercial grain storage space.

The second conference will be attended by one or more members of the State PMA committees from Ohio, Indiana, Illinois, Iowa, Missouri, Nebraska, South Dakota, and Minnesota, and representatives of PMA's Commodity offices in Chicago, Kansas City, and Minneapolis. This meeting is expected to establish an estimate of needs for additional storage facilities in the heavy surplus grain producing states on the basis of expected requirements and current known available storage facilities.

### NEW ILLINOIS PMA COMMITTEE MEMBERS

Two new members appointed to the Illinois State PMA Committee are Howard A. Abbott, Fulton, Illinois, and Arthur O. Wood, Mount Carmel. One appointment was to add a member to the committee, the second to fill a vacancy caused by the resignation of John R. Kamper.

Abbott, a beef cattle and hog producer, has been a farmer fieldman for the state office. Wood, also a livestock farmer, has served as a farmer fieldman for the state office.

### OFFICE OF AUDIT

J. H. Walsh, Staff Assistant, Fiscal Branch, Washington, D. C., was at the Chicago Office of Audit July 14 to discuss certain claims arising from audits of contractors' records.

Melvin R. Langton has been transferred from Washington to the Kansas City PMA Commodity Office as Auditor-in-Charge effective July 24. Jimmie Mize, formerly in charge, has accepted a position with the Western Auto Supply Company.

With the arrival of the summer lull in the school lunch programs, auditors assigned to this work are either taking extended annual leave or are being reassigned to other audits.

Peter Thomas is conducting an audit of Nash Underwood, Inc., Chicago, to determine the ability of that company to pay a claim of some \$61,000 resulting from an audit in connection with the war-time peanut butter subsidy program.

### OFFICE OF COMPLIANCE AND INVESTIGATION

A fine of \$110 was imposed on Joshua Thayer, Whitewater, Wisconsin, in the United States District Court for the Western District of Wisconsin following the entry of a plea of nolo contendere to an information charging violations of the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 60 regulating the handling of Irish potatoes grown in the States of Michigan, Wisconsin, Minnesota, and North Dakota.

\* \* \*

Albert "Tex" Christian takes over active charge of the accounting section, Office of Compliance and Investigation, Wednesday, succeeding Sydney Pyne. Mr. Christian returns to the position after 4 years with the Commodity Exchange Authority.

# COTTON BRANCH

Cotton prices rose sharply Monday, July 10, following release of the low acreage estimate. First official 1950 estimate of 19 million acres was far below trade expectations. Demand for spot cotton increased; volume of trading in futures was up sharply. Spot prices gained more than \$13a bale last week. New crop futures were up about \$14 a bale. Ten-market sales were twice as large as the preceding week's volume. Loan withdrawals increased. Prices for most cotton textiles advanced.

Trade reports indicate that exports this season through June totaled over 5.3 million bales.

The weekly weather report stated that the crop made generally good growth last week. However, slightly below normal temperatures and moderate to heavy showers favored weevil activity in most areas, particularly in the Eastern Belt.

# DAIRY BRANCH

Notice was given to the cheese industry last week that USDA is proposing the issuance of official standards for grades of American cheese. Proposed standards were announced to which interested parties will have opportunity to submit their views and comments before official standards are issued. Deadline for such written data is August 7, 1950.

## Price-Support Purchases and Sales, through July 8: (Figures in Pounds)

<u>Product</u>	<u>Purchases July 1 - 8</u>	<u>Total 1950 Purchases</u>	<u>1949-50 Purchases Unsold as of July 8</u>
Butter A	4,219,135	75,515,463	(
Butter B	3,243,627	28,624,543	( 183,000,000
	<u>7,462,762</u>	<u>104,140,006</u>	
Cheese	5,648,514	61,879,961	74,900,000
Spray milk solids	8,761,857	188,371,774	(
Roller milk solids	2,564,769	80,242,106	( 352,100,000
	<u>11,326,626</u>	<u>268,613,880</u>	

1950 Sales to Domestic Trade -- Butter - 6,474,728  
Cheese - No sales last week.

## FATS AND OILS BRANCH

As of July 13, 1950, CCC sales of cottonseed oil, acquired in connection with the 1949 cottonseed price support program, amounted to over 130 million pounds. This represents about two-thirds of the total quantity of oil estimated to be acquired under the 1949 cottonseed price support operations.

Of the 130 million pounds sold as of July 13, 1950, 115 million pounds represented crude oil sales and the remaining 15 million, refined oil.

CCC has disposed of approximately 25.8 million pounds of the approximately 580 million pounds of raw linseed oil acquired under the 1948 Flaxseed Processor Agreement and the flaxseed conversion program. About 400 thousand pounds have been sold since July 1, 1950.

C. B. Gilliland, Chief of the Research Division, Fats and Oils Branch, attended the Agricultural Marketing Research Workshop being held July 9-19, 1950 at Purdue University, Lafayette, Indiana. He is participating in the discussions on "Costs and Efficiency of Assembly and Processing Plants."

## FOOD DISTRIBUTION PROGRAMS BRANCH

### Plentiful Foods

Special merchandising efforts are being enlisted to boost the consumption of red raspberries in the Midwest, of snapbeans in Tennessee, and of products made from currants on a national basis, through the Plentiful Foods Program.

### School Lunch

That the administrative reviews of operating programs are receiving increasing attention from State school lunch agencies is indicated by reports on review coverage for 1949-50 recently received by the Branch. Under the Branch's procedure, representatives of the State agency call upon participating schools to check into their operations under the National School Lunch Act. Nutritional quality of the lunch, price policy, sanitation, record keeping, storage and use of direct distribution commodities are thoroughly checked and on-the-spot assistance is given on operating problems.

\* \* \*

Hal Bolin, food preservation specialist, is in northern Michigan this week to assist in plans for rebuilding one school lunch kitchen and food processing plant and reconditioning five other set-ups, including those at Bark River, Stephenson, Powers, and Powell.

\* \* \*

Price Cross, assigned to Direct Distribution programs in the Southwest Area FDPB office at Dallas, is spending this week at the Chicago area FDPB office.

\* \* \*

(more)

## FOOD DISTRIBUTION PROGRAMS BRANCH (Cont'd)

Report on direct distribution activities of the Chicago area FDPB office for the year ending July 1 is being readied for release this week. It shows a total distribution of 187,000,000 pounds of commodities in the 11 Midwestern states -- an increase of 55 percent from the year previous.

## FRUIT AND VEGETABLE BRANCH

Purchase of 1950 crop potatoes through July 11 totaled 2,964,582 hundredweight. Of this amount, 1,110,693 hundredweight went to livestock feed; 7,168 to penal institutions; 86,721 to Section 416; and 1,760,000 to on-farm disposition.

Citrus export subsidy program through July 8 stood at:

Fresh oranges; 1,261,417 boxes; \$2,080,574  
Canned single  
strength orange juice, 70,125 cases No. 2's; \$71,587  
Concentrated orange juice 49,272 gallons; \$71,322.

\* \* \*

Shipments of potatoes from Area No. 1 (Western Slope) of Colorado are limited to 2 inches minimum diameter. This regulation, recommended by the administrative committee for Area No. 1, became effective Monday and continues to June 1, 1951. (Release July 12)

\* \* \*

## Fresh Products

Neal Sanborn and Earl Biddick are in Washington, D. C. the first 2 days of this week attending a conference of peanut and pecan supervisors.

Cannery cherry inspection has begun in the Benton Harbor area in Michigan, and shortly inspectors will be moving north to the Traverse City area. Early potato inspection has begun in small volumes in the Bay City area which will hit a peak July 29-August 5.

\* \* \*

## Processed Products

Inspection at cherry plants in Michigan is getting underway with that at black raspberry freezing plants in the same state well underway. Other inspectors are assigned to pea processing inspection in Wisconsin.

## Regulatory

W. A. Hilgeson is investigating PACA complaints in Michigan this week. Edward Gibbons in in Wisconsin until the end of the month on a field trip in regard to PACA licensing.

## GRAIN BRANCH

Expects to announce State wheat acreage allotments this week. While the National total is the same as for the 1950 crop, individual State and county allotments will show some differences - up or down - on the basis of some local adjustments. The decision on national allotments came after a lengthy consideration of all factors in the situation, playing safe on the side of ample supplies.

Biggest surprise - but a pleasant one - in the July crop report was the prospect for a 3.2 billion bushel corn crop, which would bring the 1950-51 supply (including carryover) close to the 1949-50 total, to provide ample stocks for livestock during the next fifteen months. Prospects for a large soybean crop also add to the assurance of adequate supplies of fats and oils, more than offsetting the reduction in this year's probable cottonseed outturn.

\* \* \*

Requirements of the Federal Seed Act with respect to labeling new crop Kentucky Bluegrass seed for germination have been suspended for the period from August 15 to October 15, 1950, to facilitate movement of 1950 seed in areas where it is needed for all seeding to supplement carryover stocks. New crop Bluegrass seed must be labeled to show all other information required by the Federal Seed Act when shipped in interstate commerce.

\* \* \*

During period June 28 to July 4, 1950, inclusive, CCC confirmed sales of 2,822,000 bushels of wheat (including wheat and wheat flour in wheat equivalent) under the International Wheat Agreement against 1949-50 quotas. Principal buyers were Greece, Germany, Denmark, and Belgium. The cumulative sales of United States wheat and flour from August 1, 1949, through July 4, are 155,525,000 bushels. (Release July 7)

## LIVESTOCK BRANCH

The 1950 mohair price support will be at an average price of 49.1 cents per pound, 74.1 percent of the March 15 parity price of 66.2 cents per pound. This level was set in accordance with provisions of the Agricultural Act of 1949, which requires 60 to 90 percent of parity support. Schedule of support prices by grades will be made soon. (Release July 11).

\* \* \*

Meat production under federal inspection during the holiday week ended July 8 totaled 232 million pounds. Compared with a year earlier only sheep and lambs showed an increase. Total production was down 16 percent from 277 million pounds estimated for preceding week and 6 percent below 247 million pound production recorded for corresponding week last year. (Release July 11)

## MARKETING FACILITIES AND RESEARCH BRANCH

PMA reports July 1 public cooler occupancy was 60 percent - up 4 points - while public freezers were 69 percent occupied, an increase of 5 points. Cooler occupancy was far below average, but 8 points above a month ago.

On July 1, cold storage warehouses held 2.9 billion pounds of foodstuffs. Cooler holdings were 1.3 billion pounds, slightly less than average. Freezer holdings on July 1 were 1.6 billion pounds. Except for poultry and selected meats, all freezer commodities increased during the month. (Release July 14).

\* \* \*

Spoilage from the vine to consumer plays a large part in the marketing costs for South Carolina tomatoes. That's pointed up in RMA research reported in Bulletin 383, Physical Losses, Marketing Costs and Prices of Fresh Tomatoes, recently published by the South Carolina Experiment Station. Of 100 pounds of tomatoes ready for harvest, (mature green or riper), 14.8 pounds were discarded at picking; 17.8 pounds were culled at the packing shed; 9.2 pounds were discarded during repack operations; and 1.5 pounds were lost on the retail shelves. Only 57 pounds of the original 100 pounds on the vine ever reached the consumer's hands.

## POULTRY BRANCH

(\*) Indications are that the U. S. is in much better shape for all-out poultry and egg production than it was at this time in 1942.

(\*) The national laying flock on July 1, 1950, amounted to 311,796,000 as compared with 302,471,000 on the same date in 1942. Chickens and young chickens on farms totaled 490,260,000 on July 1 as compared with 610,547,000 on the same date in 1942. While this is a sharp difference in chickens and young chickens on farms, there is on the other hand a backlog of approximately 105,000,000 pounds of dried whole eggs at this time, as compared with none on July 1, 1942. The backlog is sufficient to carry through until laying flocks could be built up if such were necessary.

(\*) Actually there would probably be no need of a substantial increase in laying flocks because egg production per hundred layers as of July 1, 1950, was 50.6 as against 47.3 on July 1, 1942. Based on the larger laying flock and the heavier rate of lay at present, estimated production of eggs for 1950 stands at 5,400,000,000 dozen against actual production in 1942 of 4,455,000,000 dozen. The present production is expected to be 431 eggs per capita consumption currently about 390 per year. In 1942 per capita production was 395 eggs with consumption 316.

(more)

POULTRY BRANCH (Cont'd)

(\*) Meat chicken production for 1950 is estimated at 3,700,000,000 pounds compared with actual production in 1942 of 3,341,000,000 pounds. Turkey production this year is estimated at 725,000,000 pounds as against 492,000,000 pounds actually produced in 1942.

(\*) Other factors which show a vastly improved condition now over that of 1942 are improved egg and poultry processing facilities. At least 58 egg drying plants are now operating in the Midwest. While this is below the war-time peak of 136 plants it is far ahead of the number operating in 1942 when initial wartime contracts for dried eggs were being fulfilled. Poultry dressing plants are more numerous than in 1942, there being approximately 1750 throughout the nation capable of an annual capacity of 50,000 chickens or 12,500 turkeys each. In 1942, there were approximately 1600 plants of similar capacity.

(\*) Beyond these physical assets is the fact that should necessity arise, the nation can draw heavily upon the experience in processing, handling, shipping, and storage of eggs and poultry that was gained during World War II in supplying all-time record requirements.

Dried whole egg purchases for price support last week totalled 2,253,862 pounds, for July and August delivery. Cancellations were 517,630 pounds leaving net purchases to date at 74,691,025 pounds.

Sales of dried whole eggs last week totaled 53,815 pounds/<sup>all</sup>for export at 30 cents a pound f.a.s. New York. Total sales under the export program now amount to 2,744,851 pounds.

(\*) NOT FOR PUBLIC USE

SUGAR BRANCH

USDA has increased the 1950 sugar quota by 350,000 short tons, raw value. With this increase, a supply for the year totaling 7,850,000 short tons, raw value, will be established in the consumption requirements determination. Of the increased quantity, 98.64 percent will be added to the quota for Cuba and 1.36 percent to the quotas for foreign countries other than Cuba and Republic of the Philippines. Amount of sugar charged against the quota through June was 3,944,345 short tons, raw value (partly estimated) compared with 3,852,226 tons in the same period last year.

(more)

### SUGAR BRANCH

U. S. representatives reported submission of draft of new International Sugar Agreement to International Sugar Council when Council resumes its meeting in London this week.

New Agreement's broad purpose, like that of the 1937 instrument which has been largely inoperative owing to wartime and postwar dislocation of the world sugar trade, would be to achieve and maintain a balance between supply and demand in the world sugar market at prices reasonable both to producers and consumers.

Any draft completed by the Working Group (on which all interested countries are represented) and approved by the Council will be subject to negotiation of Council members and others at a meeting held possibly later this year.

### TOBACCO BRANCH

An average loan rate of 45 cents per pound for 1950-crop flue-cured tobacco and a schedule of rates by grades were announced by FMA July 12. Average loan rate of 45 cents per pound is 90 percent of parity price of 50 cents per pound as of July 1, 1950, the beginning of the 1950-51 marketing year.

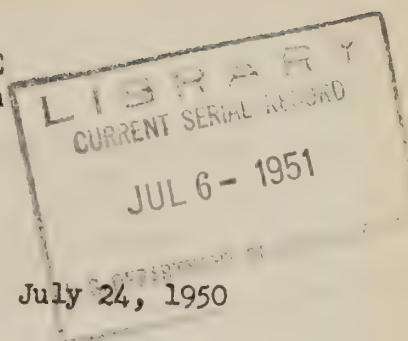
### TRANSPORTATION AND WAREHOUSING BRANCH

The Interstate Commerce Commission, in its final decision on I. & S. Docket No. 5634 - Shipping Weight on Eggs, has found that the railroad's endeavors to increase freight charges on shell eggs shipments by 5.66 percent, through increasing the shipping weight on cases of eggs from 53 pounds to 56 pounds, were not shown to be just and reasonable. The supplement containing the increased weight was suspended by the Commission on March 5, 1949, in response to a petition for suspension filed by the Transportation and Warehousing Branch. The Commission ordered the suspended schedule canceled and the proceeding discontinued. This action has resulted thus far in a savings in freight charges on eggs transported by rail of approximately \$300,000. It is likely that, had this suspension not been made, the motor carriers would also have increased the shipping weight, thus bringing about an increase to the industry.

Instructions have been issued for the delivery of 1,000,000 pounds of butter and 1,000,000 pounds of cheese to the International Rescue Committee. These commodities will be exported by that organization through Great Lakes ports.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
Production and Marketing Administration  
Information Branch  
623 South Wabash Avenue  
Chicago 5, Illinois



FOR ADMINISTRATIVE USE ONLY

July 24, 1950

MIDWEST INFORMATION SUMMARY

TO: PMA Offices, Midwest Area

FROM: John C. Baker, Chief, Information Branch, Midwest Area

JCB

THIS WEEK'S SPOTLIGHT

Office of Compliance and Investigation

The job of policing USDA's far-flung price support operations, and the programs and personnel of other Department activities included in the framework of the Production and Marketing Administration, is a big one and an important one. The responsibility nation-wide is carried by the Office of Compliance and Investigation, headed by William H. Duggan. OCI's staff consists of 146 trained investigators and clerks, and the work of the Branch is carried out through 5 field offices - one in each PMA area headquarters.

The Midwest office is headed by John Clagett, assisted by Albert C. "Tex" Christian, who directs the Accounting Section, and Morris Stickgold, Special Agent charge of Special Investigations Division. The Chicago staff numbers 26, of whom 12 are trained sleuths, 6 are accountants, and 7 clerks.

John Clagett and his staff have been responsible during the war years and since, for saving millions of dollars for USDA and, bringing numerous persons guilty of defrauding the Government, to the bar of justice. The staff even now uncovers rather serious discrepancies and fraudulent mis-use of government funds, and failures on the part of some business firms or individuals to comply with the contracts made with CCC or other PMA agencies.

Specific responsibilities assigned to the OCI staff include the investigation of: a) contractual commitments by or with PMA and CCC; b) criminal and civil fraud against PMA and CCC; c) program and regulatory violations; d) malfeasance, misfeasance and nonfeasance on the part of PMA and CCC employees (if your conscience is clear, these words won't bother you); e) compliance with law, order, regulations, contracts, or programs.

(more)

Human nature being what it is, the policing and investigation work carried out by the Office of Compliance and Investigation is definitely necessary to assure the U.S. taxpayer that he is receiving full value for the funds entrusted to PMA.

# ON THE CALENDAR

Monday, July 24	--	Farm Safety Week Opens
July 24	--	East Lansing - Flock Selection and Blood Testing School, Michigan State College
Tuesday, July 25	--	West Lafayette, Indiana - Summer Outlook Meeting, Purdue
July 25	--	Chicago - CCC representatives meeting with grain trade committee on storage situation
July 25-26	--	Chicago - Meeting to discuss preparation of the flood control survey report for the upper Mississippi watershed. State PMA representatives from Missouri, Illinois, Indiana, Iowa, Minnesota, Wisconsin, and Michigan attending
Wednesday, July 26	--	Chicago - National Dairy Council, Edgewater Beach Hotel
Thursday, July 27	--	Indianapolis - Dairy Products Association, Annual Outing
July 27-28	--	Belleville, Illinois - Cannery Tomato Supervisors' Conference - G. R. Blount, Standardization Division, Fruit and Vegetable Branch, Washington, will attend.
Friday, July 28	--	Belleville, Illinois - Afternoon conference representatives tomato growers and processors
July 28	--	Chicago - CCC grain storage meeting. PMA committeemen from 8 states and Washington representatives (623 S. Wabash Ave.)
Monday, July 31	--	Corn loans mature
July 31	--	East Lansing, Vocational Agricultural Teachers West Conference, Michigan State College
Tuesday, Aug. 1-3	--	/ Lafayette, Indiana - Summer Agricultural Conference, Purdue.
Thursday, Aug. 3	--	Minneapolis - Meeting railroad agricultural agents and claim representatives to discuss transit damages to fresh fruits and vegetables with PMA Fruit and Vegetable Branch. F&V representatives attending: George W. Christensen, supervisor inspection service in Minnesota; Neal Sanborn, and Dr. Glenn Ramsey, pathologist from the Bureau of Plant Industry.

## OFFICE OF COMPLIANCE AND INVESTIGATION

An amended criminal information was filed in the United States District Court for the District of Minnesota against Hollandale Marketing Association, Hollandale, Minnesota, charging violations of the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 60 regulating the handling of Irish potatoes grown in the States of Michigan, Wisconsin, Minnesota, and North Dakota.

Judgment by default was entered in the United States Court for the Northern District of Indiana against Bunker Hill Creamery Company, Inc., Bunker Hill, Indiana, in the amount of \$1,211.26 plus interest, representing subsidy overpayments made to the defendant in 1945 under the Cheddar Cheese Purchase Program.

## COTTON BRANCH

Spot cotton prices went to a three-year high of 38.73 cents a pound for Middling 15/16 on July 17. Prices are above support levels, and loan repayments have increased sharply. Out of a total of 3.2 million bales of 1949-crop cotton put under loan through July 13, repayments had been made on 2.4 million bales, leaving only 805,000 under loan. Sales of 1948-crop pooled cotton also have been substantial, more than 388,000 bales through July 17. This week, CCC extended the maturity date on 1949 loans and shortened the interval between sales of 1948 pooled cotton.

Weather Bureau reported new crop making fairly good to rapid growth, blooming and fruiting freely, with chief complaint being weevil infestation.

## DAIRY BRANCH

Arrangements have been completed to sell 45 million pounds of government-owned nonfat dry milk solids to the United Nations International Children's Emergency Fund for use in school lunch and child feeding programs in foreign countries.

USDA recommended a reduction of 15 cents per hundredweight in the August-November price differential for Class I milk in the Minneapolis-St. Paul milk marketing area, designed to encourage a more even rate of production for the market. It also recommended that the pricing formula for Class II milk be changed to reflect more accurately yields and costs in the processing of manufactured dairy products.

(more)

DAIRY BRANCH - Cont'd.

Price-Support Purchases and Sales, through July 15:  
(Figures in Pounds)

<u>Product</u>	<u>Purchases July 10-15</u>	<u>Total 1950 Purchases</u>	<u>1949-50 Purchases Unsold as of July 15</u>
Butter A	4,358,583	79,812,867	(
Butter B	4,804,775	33,456,640	( 192,000,000
Butter C	none	none	(
	<u>9,163,359</u>	<u>113,279,507</u>	
Cheese	6,768,777	68,648,740	80,200,000
Spray milk solids	10,311,592	198,683,366	(
Roller milk solids	4,125,774	84,367,880	( 321,600,000
	<u>14,437,366</u>	<u>283,051,246</u>	(

No sales to trade last week.

Total 1950 sales to domestic trade - Butter, 6,474,727 pounds; cheese, 7,372,130 pounds.

\* \* \*

The PMA reported July 18 that arrangements have been completed to sell 45 million pounds of government-owned nonfat dry milk solids to the United Nations International Children's Emergency Fund for use in school lunch and child feeding programs in foreign countries. The sale will reduce unsold stocks acquired from 1949-50 price support operations to about 315 million pounds as of July 18. Department officials expect that the 45 million pounds will be shipped during the next five months. None will be sold in commercial trade channels in foreign countries. This sale is in addition to 105 million pounds of nonfat dry milk solids sold to UNICEF for shipment during the first six months of 1950. (Release July 18)

FOOD DISTRIBUTION PROGRAMS BRANCH

The annual Southwest areawide conference of State School Lunch and Direct Distribution agencies will be held in Topeka, Kansas, July 25-28. Conference discussions will emphasize plans for increasing the utilization of direct distribution commodities in School Lunch programs.

Forrest Townsend, assistant Direct Distribution Program chief from Washington, will arrive in Chicago this weekend to visit the Chicago FDPB and CCC offices. From here he will go to Minneapolis August 1 and 2, accompanied by Oscar Beyer, to confer with CCC officers there in regard to shipment of commodities.

(more)

## FOOD DISTRIBUTION PROGRAMS BRANCH (Cont'd.)

### School Lunch

The State of Louisiana has appropriated \$8,400,000 for the operation of its school lunch program in 1951.

State Plans of Operation for 1951 have been received from 31 States and one Territory. Under the agreement between State Agencies and the Department, each year the school lunch agency must submit such a detailed plan for the administration and financing of the program during the coming year.

### FRUIT AND VEGETABLE BRANCH

U.S. Standards for grades of canned grapefruit and orange for salad were published in the Federal Register July 6 and will become effective August 7, 1950.

A proposed revision of U.S. standards for grades of canned grape juice has been developed and is in clearance channels.

Purchase of 1950-crop potatoes through July 8 totaled 3,118,186 hundredweight. Of this amount 1,154,526 hundredweight went to livestock feed; 11,397 to penal institutions; 82,742 to Section 416; and 1,869,521 to re-sale.

Export subsidy programs through July 15 stood at: Fresh oranges, 1,318,943 boxes, \$2,175,493; Canned single strength orange juice, 69,844 cases No. 2's, \$71,293; Concentrated orange juice, 54,072 gallons, \$78,282; Honey, 3,830,620 pounds, \$172,378.

The honey diversion subsidy program through July 15 totaled 20,000 pounds at a cost of \$750.

\* \* \*

J. W. Branch, of the Chicago office, is in Arkansas to work in connection with PACA licensing during the peach harvest.

More than 26,000 licenses under the Perishable Agricultural Commodities Act were in effect on June 30, 1950, USDA reports. This number is a slight increase over the previous year. License fees, including arrearages and penalties received during the year, totaled \$278,639, about \$1,500 over the previous year. (Release July 18)

USDA announced July 14 its intention to assist growers in the marketing of their abundant production of red sour cherries, through an offer to purchase approximately 500,000 cases of canned cherries for use in school lunch programs and other eligible outlets.

(more)

FRUIT AND VEGETABLE BRANCH - (Cont'd)

Production of red sour cherries in the United States this year is expected to exceed 145,000 tons, principally because of unusually good yields per acre. The crop may be the largest on record. (Release July 14)

USDA announced minimum grade and size requirements for cauliflower shipments from the San Luis Valley of Colorado effective from July 20 through October 15, 1950. (Release July 17)

GRAIN BRANCH

Secretary of Agriculture Charles F. Brannan July 14 announced a national allotment of 72.8 million acres of wheat for the 1951 crop, determined in accordance with the provisions of Sections 332 and 333 of the Agricultural Adjustment Act of 1938. The 1951 allotment is the same as the final wheat allotment for 1950. Secretary Brannan announced on June 26 that there would be no marketing quotas for 1951 wheat production. With average yields, the 1951 allotment would result in a wheat crop of one billion, 150 million bushels. (Release July 14)

USDA announced July 14 that during the period July 5 to July 11, 1950, inclusive, CCC confirmed sales of 5,638,000 bushels of wheat (including flour in wheat equivalent) under the International Wheat Agreement. Of the total of 5,638,000 bushels, 2,951,000 bushels are against the 1949-50 quotas, and 2,687,000 bushels against 1950-51 quotas. Principal buyers were Italy, Greece, Belgium, Denmark, and the Netherlands. Cumulative sales of U.S. wheat and flour from August 1, 1949 through July 11, against 1949-50 quotas are 158,476,000 bushels. Cumulative sales to July 11 against 1950-51 quotas are 3,761,000 bushels. (Release July 14)

CCC on July 13 re-offered its holdings of 1949-crop red kidney beans for export sale by commercial exporters during July, delivered f.a.s. California or East Coast ports, at \$6.50 per 100 pounds, basis U.S. No. 1. A discount for lower grades will be made of 25 cents for U.S. No. 2 or 50 cents for U.S. No. 3. (Release July 13)

PMA on July 14 announced a price support program for 1950-crop hay, pasture, and range grass seed, designed to encourage increased production to meet expanding requirements for soil-conserving crops during the next few years. The seeds included are alfalfa, various kinds of clovers, lespedeza, except Korean and Kobe, and a number of grasses. Price supports will be offered only to producers and will range from 3½ cents a pound for common Sudan seed to \$1.25 a pound for certified Ladino clover.

(more)

GRAIN BRANCH - (Cont'd)

CCC announced July 14 that it will receive offers this month for approximately 75 million bushels capacity of bins and other temporary storage structures which may be needed to house grain which the Corporation will acquire later this year. The quantity accepted under the offers will depend upon developments in the next few weeks, and the apparent need for additional temporary storage facilities later this year. Officials of CCC say that it is necessary to get offers in now to be in position to place orders for the facilities which may be needed. (Release July 14)

PMA estimates July 1949-June 1950, 'twelve months' exports of grains and grain products at approximately 12,265,000 long tons (479,180,000 bushels of grain equivalent), as compared with 17,689,000 long tons (685,911,000 bushels of grain equivalent) in the same period of 1948-49.

July 1949-June 1950 exports of wheat and wheat products totaling 299,348,000 bushels of grain equivalent were smaller than in the like period of 1948-49 by 201,881,000 bushels. Exports of other grains and grain products, totaling 179,832,000 bushels of grain equivalent, were about the same as in the like period of 1948-49. (Release July 19)

LIVESTOCK BRANCH

Meat production under Federal inspection in the week ended July 15 totaled 291 million pounds, USDA reports. Slaughter of all classes was larger than in the previous week which included the July 4 holiday, but only hogs showed an increase over a year earlier. Total production was 26 percent larger than the 232 million pounds reported for the preceding week and about the same as the output of the corresponding week last year. (Release July 18)

### POULTRY BRANCH

Dried whole egg purchases for price support dropped off to a net total of 1,804,105 pounds this week. This was the smallest buy in several weeks, reflecting a generally stronger trend in egg prices, including futures. Cancellations of dried egg contracts also reflected strength in the egg market, those amounting to 916,830 pounds - the heaviest cancellations for any week so far in 1950.

Total purchases for the year to date, as the result of this week's transactions, stand at 75,578,300 pounds.

Dried egg sales for export picked up appreciably, a total of 129,675 pounds being sold under the revised export program at 30 cents a pound f.a.s. New York.

Turkey purchases for price support (as of July 14) aggregated for the month so far only 7,068,126½ pounds. This is a smaller buy than was anticipated for the first two offer dates in July and appeared to reflect the mounting prices of competing foods.

A fact sheet suggesting ways and means of obtaining and using new standard sizes and styles of egg cases, fillers and flats, is being processed and should be available about July 31. The fact sheet will be for use in the preparation of press and radio material needed to aid the industry in changing over from the old to the new types and sizes of egg cases and inner packing materials.

### SUGAR BRANCH

USDA announced July 19 an increase of 345,240 short tons, raw value, in the sugar quota for Cuba and of 4,760 short tons, raw value, for foreign countries other than Cuba and the Republic of the Philippines. The changes resulted from the increase in the consumption requirements determination announced on July 13, 1950.

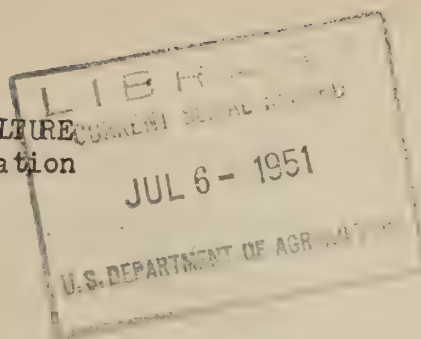
### TRANSPORTATION AND WAREHOUSING BRANCH

Martin J. Hudtloff, Director; Alva F. Troyer, Deputy Director; R. J. Hudson and C. E. Raeder will be in Chicago July 27 and 28 on grain storage business (See Grain storage meetings, July 28, in calendar).

Elmer F. Kruse, Assistant Administrator for Commodity Operations, will attend the grain storage meeting scheduled for July 28 at 623 South Wabash Avenue, Chicago.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
Production and Marketing Administration  
Information Branch  
623 South Wabash Avenue  
Chicago 5, Illinois



FOR ADMINISTRATIVE USE ONLY

July 31, 1950

MIDWEST INFORMATION SUMMARY

TO: PMA Offices; Midwest Area

FROM: John C. Baker, Chief, Information Branch, Midwest Area

THIS WEEK'S SPOTLIGHT

Fruit & Vegetable Market News

Essential to all news services are the three "get-its": Get the story...Get it in fast...Get it out fast, but accurately.

The Chicago Fruit and Vegetable Market News office of PMA lives up to the journalist's code for the responsibility on what it says is heavy. Homemakers rely on it in planning menus, hospital dietitians in setting up diets. Railroads schedule their freight handlings by it. Bankers check the value of stored securities in terms of its data while great industries use it in cost of living studies which have become part of wage schedules. But above all, the producer uses it daily in selling his fruits and vegetables.

Throughout the nation, USDA market news offices on fruits and vegetables--operating last year through a linkage of 28 seasonal offices at shipping points and 22 permanent establishments--has become an intimate part of agriculture from crop planning to harvesting and shipping.

In Chicago, the "legwork" or reporting is done by Austen Hunter, marketing specialist in charge of the office in the South Water Market, and Roland Sutton his associate--2 of a nation-wide staff of but 125. The Hunter-Sutton combination daily interviews 250 to 300 salesmen and heads of firms on carlot, jobbing lot, auction, and futures contract selling on 40 to 50 commodities. Data on the selling prices must be had while the trading is being closed, so the reporter is privileged to listen in on the dickering, the trade knowing that he will keep secret the source of his information.

(more)

### Fruit & Vegetable Market News (Cont'd)

Each morning Washington furnishes the office in Chicago with carloadings of 45 commodities for the previous 24 hours. This represents tonnage potentially 1 to 10 days away from the Windy City market. The Chicago office supplements this by a check of 25 railroads bringing fruits and vegetables here. By 10 a.m. daily the office knows how many cars arrived in Chicago the past 24 hours, how many were diverted, how many were held on track after 7 a.m. At produce firms, truck arrivals are checked.

Getting the information in from the stores on South Water Market proper and from the carlot terminals is a major task. Like all news service, the office must work on a deadline to clear the information to the Department's 10,000 miles of leased wire, to press services, radio stations, and commercial trade agencies. The filing of the first "flash" information keeps the reporters busy furnishing information to 5 girls at a battery of telephones and teletypewriter, to Western Union, and industry's private messengers. Like all good newspapers, the office reports come out in a number of editions as the information comes to hand. The final goes to press around 3 in the afternoon and is in the mail to around 1400 addressees daily by 5 p.m.

Weekly reports are issued, and once a week, on Radio Station WBBM in Chicago, Mr. Hunter himself takes to the air to make a report on what's been doing in Chicago's Fruit and Vegetable Market.

### ON THE CALENDAR

- |                        |  |
|------------------------|--|
| Monday, July 31-Aug.2  | - Chicago - Meeting of State PMA committee-men from nine selected states covering nation on ACP program. |
| Monday, July 31-Aug.4  | - Maywood, Ind. - Cannery tomato inspector's school.   |
| Tuesday, August 1      | - Chicago - War emergency meeting of executive committee, Millers National Federation.                   |
| Tuesday, August 1-3    | - West Lafayette, Ind. - Purdue University, annual summer Agricultural Conference.                       |
| Sunday, August 6-10    | - Omaha - Convention of National Association of Retail Meat and Food Dealers.                            |
| Monday, August 7-20    | - Chicago - International Trade Fair   |
| Monday, August 7       | - St. Paul - U. of Minn. short course on drying oils.  |
| Monday, August 7-11    | - Bowling Green, Ohio - Cannery tomato inspector's school.   |
| Thursday, August 10    | - Chicago - Convention of National Soybean Processors Assn.  |
| Thursday, August 10    | - Chicago - Turkey marketing meeting. PMA participating.   |
| Saturday, August 12-20 | - Springfield - Illinois State Fair.   |

### SECRETARY'S OFFICE

Clarence J. McCormick, of Vincennes, Indiana, has been sworn in as Under Secretary of Agriculture. Mr. McCormick operates several farms near Vincennes, has been an Indiana state PMA committeeman, and a member of the Washington staff of PMA.

### ADMINISTRATOR'S OFFICE

Director Trigg has issued a statement of procedure governing calling of meetings, and attendance at meetings, by PMA personnel. Procedure calls for clearance by Assistant Administrator for Management.

\* \* \*

Preliminary provisions and instructions on preparation of 1951 state ACP handbooks have been issued by Assistant Administrator for Production.

\* \* \*

Regulations governing PMA county and community committees have been modified (Publication in Federal Register July 6, 1950) to permit delegates to county conventions to be elected to county committees. Under former regulations, this was prohibited.

### ADMINISTRATIVE SERVICES

Richard Bender, chief of Administrative Services Division, has requested (Memorandum July 28) all PMA employees to make personal calls from public telephone booths provided for purpose; to make inside calls by number rather than by name; to notify the chief operator in case certain phones cannot be answered.

### OFFICE OF AUDIT

A basis for settlement of an audit claim under the 1945 Soybean Subsidy Program was reached with the chairman of the board of the Glidden Company, Cleveland, Ohio, last week, by Ray Pauley, Assistant chief of the Chicago area office; J.J. Somers, treasurer of the CCC, and Pat O'Leary, office of the Solicitor.

M.R. Langton has been installed as auditor-in-charge of the Kansas City Commodity office.

Norman Arey, Washington, visited the Chicago office, to discuss the 1951 program for audit of grading and inspection office, and claims arising from wartime subsidy programs.

J.F. McShea, Washington, visited Chicago to discuss enlargement of audit verification of CCC inventories, particularly of bin-stored grain.

BAE

Prices received by farmers jumped 6 percent from June to July; Index of Prices Received went to 263 percent of 1910-14 average; Parity Index (prices paid, interest, taxes, and wages) went up 1 point to 256. Parity ration increased 6 points, to 103, 5 points above year ago. Average of prices received is highest in 18 months, and increase was sharpest since March 1947.  
(BAE report 7-28)

COMMODITY CREDIT CORPORATION

Distribution of handbooks covering the Uniform Grain Storage Agreement between CCC and country elevator and terminal warehousemen for handling loan, purchase agreement and CCC-owned grains will be completed within a few days, according to reports from the Commodity offices at Chicago, Kansas City and Minneapolis.

The handbooks outline in detail the responsibilities of PMA Commodity offices, State and County committees on one hand, and country elevator and terminal warehousemen under contract with CCC for the handling and storage of grains under the Agreement.

Copies are being distributed to all State and County PMA committees and to all country elevator men and terminal warehousemen under contract with CCC in the states served by the three Commodity offices. A separate distribution is made by each Commodity office to the PMA offices and grain warehousemen in the areas administered by each office because the application of the principles of the Agreement differ in detail in the areas served by the offices.

The Chicago PMA Commodity office will administer the Uniform Grain Storage Agreement in the states of Illinois (except East St. Louis), Iowa (except Sioux City and Council Bluffs), Indiana, Michigan, Ohio and including Milwaukee, Wisconsin, and Louisville, Kentucky.

The Kansas City office will administer the Agreement in Kansas, Colorado, Wyoming, Nebraska, Missouri, East St. Louis, Illinois, and Council Bluffs. Minnesota, North and South Dakota, Montana, Wisconsin (except Milwaukee), and Sioux City, Iowa, will be directed by the Minneapolis office.

All PMA Offices of Commodity in the U.S. have now issued handbooks of the Uniform Grain Storage Agreement applicable to the areas which they serve.

DAIRY BRANCH

Branch officials appeared before Senator Gillette's Senate Subcommittee on Agriculture Thursday in company with Assistant Administrator John I. Thompson to explain the purpose and operation of Federal milk marketing orders.

Federal order actions this week included (1) a final decision changing the Department's June 8 recommendation with respect to proposed changes in the farm pricing of milk in the Columbus, Ohio, milk marketing area so as to extend through October and November 1950 the increase of 10 cents per hundredweight in the minimum farm prices for Class I and II milk recommended for August and September and (2) an amendment of the Boston Federal order making minor changes in the pricing and classification of milk as outlined in the Department's final decision of June 23.

Price-Support Purchases and Sales, through July 22:

(Figures in Pounds)

<u>Product</u>	<u>Purchases July 17-22</u>	<u>Total 1950 Purchases</u>	<u>1949-50 Purchases Unsold as of July 22</u>
Butter A	2,786,997	82,404,446	(
Butter B	3,080,951	36,265,832	{ 192,300,000
Butter C	none	none	(
	<u>5,867,948</u>	<u>118,670,278</u>	
Cheese	5,248,085	73,881,110	85,200,000
Spray milk solids	9,980,365	208,623,731	(
Roller Milk solids	2,786,520	87,167,600	{ 330,600,000
	<u>12,766,885</u>	<u>295,791,331</u>	

<u>Product</u>	<u>Sales to Trade July 17-22</u>	<u>1950-Sales to Domestic Trade</u>
Butter A	none	173,465
Butter B	360 1/	5,669,561
Butter C	none	632,061
	<u>360</u>	<u>6,475,087</u>
Cheese A	31,573	6,124,385
Cheese B	8,915	953,708
Cheese C	none	334,525
	<u>40,488</u>	<u>7,412,618</u>

1/ Sold for experimental purposes.

(more)

## DAIRY AND POULTRY BRANCHES

Dr. T. I. Hedrick, Chicago Laboratory head, will visit some time at Texas A & M college next week. Plans will be initiated to do some lab work there.

Dr. Hedrick reports fewer visitors to the Chicago lab these days. Located in the Quartermaster Depot, entrance to the building is more difficult than formerly for reasons of security.

Ed Small, Officer in Charge of Inspection and Grading at Chicago, will spend a day in Wisconsin this week to check grading of cheese in the Bay Area.

## FOOD DISTRIBUTION PROGRAMS BRANCH

### Direct Distribution

As of July 27, State distributing agencies have placed orders for 10,919,863 lbs. butter, 6,203,790 lbs. cheese, 2,655,215 lbs. dried eggs, 5,491,580 lbs. nonfat dry milk solids, and approximately 139,000,000 lbs. of Irish potatoes. Distribution is being made to school lunch programs, institutions, and welfare families.

Authorization has been given for the purchase of 15,000 50-lb. sacks (750,000 lbs.) of topped Crosby beets, U.S. Grade No.1. Of this total, 9,000 sacks have been allocated to the Northeast area and 6,000 sacks to the Southeast area. Allocations were made for fresh use and processing and for distribution to schools and institutions.

\* \* \*

Distribution of CCC foods under provisions of Section 416 and 471 totaled 160 million pounds in U.S., and 25 million pounds for overseas distribution through private relief organizations. Domestic distribution included 139 million pounds of potatoes, 8 million pounds of butter, almost 5 million pounds each of cheese and dried skim milk. Foreign distribution included 20 million pounds of dried skim milk and over 4 million pounds of dried eggs (Press release 7-21).

Jack Meams, who has been in the Chicago office to review the food trades program in St. Louis and adjacent territory, returned to the St. Louis office Monday. Shortly after, he will go to Omaha to set up a food trades program there similar to those in operation in Chicago and St. Louis.

Ina Morris, home economist, will be in Springfield, Illinois Tuesday to discuss the state of Illinois school lunch agency workshops which will be held later in August.

(more)

### FOOD DISTRIBUTION PROGRAMS BRANCH (Cont'd)

Jeanette Hampton has been called to the Chicago office from St. Louis for 2 weeks to assist in the development of bulletins pertaining to menu planning, mixes, and food utilization.

Annual school lunch and direct distribution state supervisors' conference will be held in Chicago at the Morrison Hotel October 25-26-27.

### FRUIT AND VEGETABLE BRANCH

U.S. standards for frozen corn on the cob have been issued and distributed (July 10) to packers, brokers and distributors of frozen vegetables.

Potato growers in central Nebraska rejected a federal marketing order in a referendum held July 13-14, with results announced July 24. With this rejection, potatoes grown in this region are not eligible for government price support.

Frozen concentrated orange made up only 5 percent of total orange consumption in 1949 but now accounts for 19 percent of total orange purchases, according to studies made by Fruit and Vegetable Branch of PMA, through a commercial survey organization. Other citrus fruits and their products were covered in the study. (Release July 25)

Problems of vegetable growing and marketing will be discussed by state PMA committee representatives at a meeting in Washington on August 16-17. Leading vegetable producing states have been asked to send representatives. Indiana, Wisconsin, and Michigan will represent Midwest.

Temporary shipping point inspection services is now being offered at Anna, Illinois, and Gibbon, Nebraska.

"The Perishable Agricultural Commodities Act and How It Affects You" is a new four-page leaflet being made available to producers and handlers of fruit and vegetables.

Availability of principal fruits in retail stores is reported in a study just released. Study makes comparisons of May, 1950, with previous years.

(more)

### FRUIT AND VEGETABLE BRANCH (Cont'd)

Earl Biddick, Chicago, and J.R. Blount, Washington, will hold two training schools for inspectors at tomato canning plants. One school will be held this week at Maywood, Indiana; the other, August 7-11, at Bowling Green, Ohio.

Proposed U.S. standards for grades of canned lima beans and canned cranberry sauce are in clearance channels for publication in the Federal Register as notice of proposed rule making.

Purchase of 1950 crop potatoes through July 25 totaled 3,378,221 hundredweight. Of this amount 1,260,840 hundredweight went to livestock feed; 12,297 to penal institutions; 88,322 to Section 416; and 2,016,762 to re-sale.

Export subsidy programs on July 22 stood at:

Fresh oranges, 1,485,515 boxes; \$2,450,336  
Canned single strength orange juice, 70,722 cases No.2's; \$72,213  
Concentrated orange juice, 60,582 gallons; \$87,721  
Honey, 4,043,348 pounds; \$181,950

The honey diversion program shows a quantity of 20,000 pounds diverted at a cost of \$750.

### GRAIN BRANCH

The Assistant Administrator for Production has issued instructions to state committees (Grain Memorandum 249) on reporting number of cases in which wheat farmers unknowingly overplanted their acreage allotments. September 1 is deadline.

PMA reminded corn farmers (Release July 25) that corn under CCC loan from 1948 and '49 crops may be re-sealed for another year, if arrangements are made with county committees before delivery dates, most of which fall between August 1 and September 30. Total 1949-crop corn under farm-storage loans up to June 30 was 319,326,861 bushels, with 50,720,047 bushels under purchase agreement. Much corn has been redeemed by farmers paying off loans, but precise figures are not yet available.

Total sales of wheat by U.S. under International Wheat Agreement, from August 1, 1949 to July 25, 1950, were 163 million bushels, 72 million bushels less than quota U.S. was permitted to sell. Canada sold 180 million out of quota of 205 million. Total sales by all exporting nations were 427 million bushels, out of quotas of 525 million bushels.

### LIVESTOCK BRANCH

Meat production under Federal inspection for week ending July 22 was 295 million pounds; 1 percent above previous week and 4 percent above year ago; cattle and calves up; hogs and sheep down slightly.

Ben F. Platt, Assistant P & S District Supervisor, was in Milwaukee July 27 and 28 on a routine supervisory trip.

T.A. Bruce and Z.A. Hobbs, travelling coordinators of live and dressed meat grading spent last week working with the Chicago market news and meat grading personnel.

### OFFICE OF MANAGEMENT

T.H. Anderson, chief of the Area office, is in Minneapolis on PMA business this week.

### OFFICE OF PERSONNEL

Si Levka, position classifier in the Chicago office, returned to his regular duties Monday after a 60-day special detail in the Atlanta PMA area office.

The Office of Personnel will be busy for some time processing the necessary basic appointment papers for the 320 employees in the offices administering 19 milk marketing orders in the Midwest area. The employees of all milk marketing offices are being inducted into PMA under a recent civil service ruling.

### POULTRY BRANCH

Purchase of dried eggs to support prices to egg producers will be continued through September at the same level which has prevailed since January, 25 cents a dozen at the farm, 27 cents at the drying plant. (Release July 28.)

Sharply reduced purchases of dried whole eggs for price support last week and heavy cancellations resulted in the smallest net buy for the year so far. Offerings of eggs accepted totaled 834,880 pounds with cancellations at 721,685 pounds, leaving a net gain of 113,195 pounds.

As a result of the week's transactions net purchases of dried eggs since January 1 now stand at 75,691,495 pounds, or 6,883,477 pounds more than the total buy in 1949.

(more)

### POULTRY BRANCH (Cont'd)

Light purchases of dried eggs last week and heavy cancellations were clearly reflections of continued strength in the egg market.

For the first time this year total sales exceeded the total buy. Under the revised export program, sales amounted to 142,660 pounds, which included 122,260 pounds packed in barrels at 30 cents a pound f.a.s. New York and 20,400 pounds packed in barrels at 20 cents f.o.b. the warehouse. Total sales in the export program now amount to 3,017,186 pounds.

Purchases of turkeys made last week will tell the story of the final phase of the 1949 turkey price support program, which was operated for the month of July for the benefit of producers and processors who held surplus stocks of turkeys in storage which were slaughtered and processed during the 1949 marketing season.

While final figures were not available in time to be included in this report, net purchases on the whole have been far below the quantity anticipated. Last week's buy for example was only 1,019,148 pounds while cancellations amounted to 3,367,089 pounds, leaving net purchases for the first three offer dates of July at 4,720,185½ pounds.

### SUGAR BRANCH

USDA has offered to buy total remaining stocks of sugar in Cuba, amounting to about 600,000 tons. Puerto Rico and Virgin Islands have offered their surplus stocks, 150,000 tons; Hawaiian sugar also being discussed. Any sugar not needed by U.S. would be offered on world market at price paid by U.S. (Press release 7-27 and 7-28)

### TRANSPORTATION AND WAREHOUSING BRANCH

Preliminary estimates of the amount of 1948 and '49 corn to be taken over by CCC and additional storage that will be needed to handle it were discussed last Friday at a Chicago meeting of state committeemen from 12 Midwestern states, representatives of Chicago, Minneapolis, and Kansas City Commodity Offices, and a Washington group headed by Elmer F. Kruse, Assistant Administrator for Commodity Operations, and M.J. Hudtloff, chief of the Transportation and Warehousing Branch. Most states reported rapid redemption of corn under loan during June and July, and it is anticipated that the amount actually taken over will be considerably less than the total volume of corn on hand at present.

Hearings were held July 24, 1950, before the House Sub-Committee on Interstate and Foreign Commerce, on H. R. 7547, the so-called "Kilday Bill." This is a proposed amendment to Part III of the Interstate Commerce Act, which will affect motor carriers now excepted from certain provisions of such act. Further hearings will be held on August 16, 1950, when a member of the Branch will present the Department's position on the bill.

A supplement to T & W Memorandum No. 34 has been issued, instructing county committees on handling CCC storage bins and other structures that have been damaged. Committees are instructed to repair buildings if this seems economical, or to salvage materials if practicable.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
Production and Marketing Administration  
Information Branch  
623 South Wabash Avenue  
Chicago 5, Illinois

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JUL 6 - 1951

U.S. DEPARTMENT OF AGRICULTURE

( FOR ADMINISTRATIVE USE ONLY )

August 7, 1950

MIDWEST INFORMATION SUMMARY

TO: PMA Offices, Midwest Area

FROM: John C. Baker, Chief, Information Branch, Midwest Area

THIS WEEK'S SPOTLIGHT

Direct Distribution

To most of us who think of potatoes in terms of Cobblers, Irish, or California Long Whites, the potato lingo of the persons responsible for carrying out the direct distribution program activities of the Food Distribution Programs Branch sounds somewhat strange. Their potatoes categorize into 32's, 416's, 471's. And those numbers have nothing to do with the size of the potatoes. They refer to the congressional authority for distribution—and thus to the regulations and procedures to be followed in distributing potatoes. Keeping the distinction is no small job when nearly 90 million pounds of potatoes are distributed through 11 states. And that's the job the Food Distribution Programs Branch area office had in the fiscal year just closed.

But potatoes were far from being the only commodity DD personnel had on their minds, though they bulked largest. There were fresh apples, fresh pears, butter, dried eggs, nonfat dry milk, cheese, and turkeys among others. In all, they handled nearly 187 million pounds of surplus U.S. farm products.

Some of those commodities are paid for by national school lunch program funds. They're the 6's. Then there are the 32's—price support commodities channelled to schools and welfare institutions. The 416 program made potatoes available to those who would pay transportation on them. The 471 made them available "postage paid" but it has been discontinued now because it was set up to handle only 1949 crop potatoes.

Here's the mechanics of operation of the DD program in its basic form. Washington makes an allocation of foods to the area. The area in turn notifies states of their share, based on the eligible schools and other recipients. The states turn in requests to the area office for what they want, and channel the commodities to users in their states.

When this distribution program involves 17,156 schools, as it did last year plus nonprofit institutions, it's no small job. When you add the welfare groups which have more recently been made eligible recipients, the complexity increases.

(more)

Direct Distribution (Cont'd)

Then there are the special programs. This past year when flood waters moved in on southern Missouri families, FDPB came to the rescue with DD food.

Once the food is at the schools, FDPB is concerned with its storage and utilization so the commodities can be used for the greatest benefit to the most people. Area home economists attached to FDPB have been enlisted in a program of storage and utilization education to help achieve this objective.

ON THE CALENDAR

- Monday, August 7-20 - Chicago - International Trade Fair. Navy Pier, International Amphitheatre.
- Monday, August 7-12 - National Vegetable Week.
- Tuesday, August 8 - Chicago - USDA Club monthly meeting.
- Tuesday, August 8 - Milwaukee - Wisconsin Retail Food Dealers annual meeting.
- Thursday, August 10 - Chicago - National Soybean Processors Association, Bismark Hotel.
- Thursday, August 10 - Chicago - Turkey marketing meeting called by National Turkey Federation.
- Saturday, August 12-20 - Springfield, Ill. - Illinois State Fair.
- Tuesday, August 15 - Chicago - Meeting of Midwest area grain trade committee.
- Tuesday, August 15-19 - Chicago - National Food Distributors Association.
- Tuesday, August 15-20 - Cherry Pie Time. Industry promotion campaign.
- Thursday, August 17 - Chicago - Cheese promotion meeting, National Cheese Institute.
- Friday, August 18-19 - Detroit - Michigan Bean Shippers Association.
- Saturday, August 19-27 - Milwaukee - Wisconsin State Fair.
- Sunday, August 20-27 - Sedalia, Mo. - Missouri State Fair.
- Monday, August 21 - Peoria - Illinois Feed Manufacturers Association.

## COMMODITY CREDIT CORPORATION

Barter of 19,000 metric tons of grain sorghum for a strategic material, has been announced by CCC. As is customary, the strategic material and the country supplying it, are not identified. (Press release July 31.)

Commodities available for sale by CCC, for export or domestic use, were announced on July 31. Separate lists were released, since some commodities are available for export sale only, while others are available only for domestic sale. Amounts, locations, and prices are given. Since beginning of the sale program, sales have totaled more than \$20 million for domestic use and \$23 million for export.

## COTTON BRANCH

Cotton prices lost about \$7.50 a bale during the past week. Loan repayments were reported on 88,700 bales of 1949 crop. A total of 223,900 bales of 1948 crop pooled cotton was sold bringing total reported sales to 612,200 bales.

Boll weevil damage still reported and there were many reports of insecticide shortages.

The demand for cotton textiles continues strong with some mills moving into a three-shift, six-day week. Disappearance of cotton (domestic consumption plus exports) for the season just ended approximated 14,500,000 bales. Domestic consumption totaled nearly 8,800,000 bales and exports about 5,700,000.

## FATS AND OILS BRANCH

### Cottonseed Oil Program

Beginning February 1950 through August 2, 1950, CCC has disposed of 162,111,792 pounds of crude and refined cottonseed oil. Crude sales total 128,732,741 pounds and refined sales total 33,379,051 pounds. These sales were consummated by the Dallas and San Francisco PMA commodity Offices and the Fats and Oils Branch. Sales included 36,739,591 pounds of crude cottonseed oil for export.

### Flaxseed and Resultant Linseed Oil

From April 18, 1949 to April 19, 1950, 7,545,359 bushels of flaxseed were sold and 154,498,372 pounds of resultant linseed oil were purchased. On April 19, 1950, the operations were decentralized and the PMA Commodity Offices (New York, Chicago, Minneapolis and San Francisco

(more)

### Flaxseed and Resultant Linseed Oil (Cont'd)

have sold 5,449,069 bushels of flaxseed and purchased 109,090,807 pounds of resultant linseed oil. This reflects through August 2, 1950 the total sales of 12,994,428 bushels of flaxseed and the purchase of 263,589,179 pounds of resultant linseed oil. Our present inventory of linseed oil, which includes oil acquired under the 1948 Processor Agreement, totals 547,647,000 pounds as of August 2, 1950.

Since May, the processors have had the option to purchase outright any portion of the flaxseed contracted for crushing, and to date outright purchases total 654,833 bushels.

### Sales of Linseed Oil

Since July 1, 1950, CCC has sold 2,105,891 pounds of linseed oil of which 240,000 pounds were sold for export and 1,865,891 pounds were sold for domestic use.

### 1949 Crop Peanut Price Support Program Purchases and Sales

As of July 15, 1950, CCC has made the following purchases and sales of peanuts under the 1949 crop price support program:

	<u>Purchases</u>	<u>Sales for Crushing</u>	<u>Sales for Edible Uses</u>	<u>Sales for Export</u>
Farmers' stock peanuts (tons)	37,252	19,620	16,842	-
No.2 shelled peanuts (lbs.)	460,532,761	385,956,585	-	74,576,176

### DAIRY BRANCH

Half a dozen dairy products inspectors are assigned to work in Tennessee and Kentucky this week, inspecting 35 cars of cheese and 45 cars of butter for export. The crew of inspectors, headed by Edward Small, is working against a deadline of August 9.

(more)

DAIRY BRANCH

Price-Support Purchases and Sales, through July 29:

(Figures in Pounds)

<u>Product</u>	<u>Purchases July 22-29</u>	<u>Total 1950 Purchases 1/</u>	<u>1949-50 Purchases Unsold as of July 29</u>
Butter A	1,321,881	83,075,083	(
Butter B	1,586,707	37,793,919	( 193,200,000
Butter C	none	none	(
	2,908,588	120,869,002	1/
Cheese	7,839,552	81,711,939	92,600,000
Spray milk solids	7,795,954	216,406,560	(
Roller milk solids	2,158,835	89,326,436	( 340,500,000

<u>Product</u>	<u>Sales to Trade July 22 - 29</u>	<u>1950 Sales to Domestic Trade</u>
Butter A	none	173,465
Butter B	"	5,669,561
Butter C	"	632,061
		6,475,087
Cheese A	none	6,124,385
Cheese B	"	953,708
Cheese C	"	334,525
		7,412,618

1/ Adjusted for contract amendments.

FOOD DISTRIBUTION PROGRAMS BRANCH

School Lunch

Schools participating in the National School Lunch Program will again have concentrated orange juice to serve this year. A purchase was made on Wednesday, August 2, of approximately 250,000 gallons which will be available for distribution to the schools early this fall. The concentrated orange juice purchased this year is based on a new formula which requires reconstitution on a 3 to 1 basis rather than on a 7 to 1 basis, which applied to previous purchases of concentrated orange juice. The new formula makes a very high quality tasty orange juice when reconstituted.

A table of school population over the entire United States shows that in the Midwest area, 20.7 percent of the 69,541 schools and 26.4 percent of the 7,563,418 children enrolled in school, participated in the school lunch program during the past school year. For the entire nation, 28 percent of the schools and 28 percent of the children participated.

(more)

FOOD DISTRIBUTION PROGRAMS BRANCH (Cont'd)

Direct Distribution

Requests by state agencies for CCC surplus foods through July 31 totaled over 161 million pounds, and an additional 30 million pounds of food was requested for foreign welfare distribution. All these requests were in accordance with Section 416 of the Agricultural Act and Public Law 471, which provide that recipients will pay shipping and handling costs, except on potatoes.

\* \* \*

Floyd Tuchscher will be in Missouri this week through the middle of next week conferring with school lunch and direct distribution agencies at Jefferson City and with PMA officials at Columbia.

Hal Bolin will be in Glenwood, Illinois on Tuesday to help establish a food processing plant at the Manual Training School for Boys.

FRUIT AND VEGETABLE BRANCH

Effective August 7, potatoes marketed in seven commercial-producing counties of South Dakota, must grade U.S. No.2 or better and be at least 1 1/2 inches in diameter. This regulation was made on recommendation of the area committee, composed of growers and handlers. (Release August 4.)

Dried prunes sold for export will not be eligible for subsidy payments after August 10. (Release July 31.)

Proposals for new consumer standards for fresh apples and a proposed revision of the wholesale standards have been announced. Consumer standards are the first proposed for fruits of any kind, although consumer standards for several vegetables already are in effect. Comments on the proposed standards may be submitted to Fruit and Vegetable Branch, Washington, until September 2.

U.S. consumer standards for Brussel sprouts and fresh kale have been published in the Federal Register and will become effective August 19 and August 26, respectively.

Purchase of topped beets through August 2 (all in eastern Pennsylvania) totaled 5,600 50-pound sacks.

Purchase of 1950 crop potatoes through August 1 totaled 3,563,715 hundredweight. Of this amount 1,341,193 hundredweight went to livestock feed; 12,869 to penal institutions; 99,845 to Section 416; and 2,109,808 to re-sale.

Through July 29 export subsidy programs stood at:

Fresh oranges, 1,539,001 boxes; \$2,538,588

Canned single strength orange juice, 71,585 cases No.2's; \$73,113

Concentrated orange juice, 64,581 gallons; \$93,520

Honey, 4,884,228 pounds; \$219,790

(more)

## FRUIT AND VEGETABLE BRANCH - (Cont'd)

Through July 29 approximately 50,000 pounds of honey had been moved under the diversion program at a cost of approximately \$1,875.

### Fresh Products

Neal Sanborn will go to Topeka, Kansas this week to confer with Kansas officials on a cooperative agreement for shipping point and terminal inspection work.

### Regulatory

Edward Gibson left this week for Denver, Colorado to attend to PACA licensing in connection with the Colorado peach harvest. From there he will go to Utah for the peach harvest, returning here about the first of October.

## GRAIN BRANCH

Allotments of wheat acreage by states for the 1951 crop were announced on August 1 by Administrator Trigg. National total is 72.8 million acres. State allotments based on acreage of past 10 years, adjusted for recent trends.

State allotments in Midwest follow:

Ill. 1,679,406	Mo. 1,686,729	Wis. 103,782
Ind. 1,591,183	Nebr. 4,096,359	
Iowa 304,843	N.D. 9,805,968	
Mich. 1,114,086	Ohio 2,115,433	
Minn. 1,289,568	S.D. 3,709,196	

Confusion and some loss in price to wheat growers in Illinois, Indiana, and Michigan, is reported by Hazen English, director of the Regulatory and Inspection Division of the Grain Branch. The confusion results from introduction of new soft wheat varieties, such as Royal, into the hard wheat areas in the northern part of the Midwest; and new varieties of hard wheat, such as Pawnee, into the soft wheat areas of southern Illinois and Indiana. Country grain dealers this year frequently have mixed the two types of wheat in storage, resulting in lowered price when the shipments of mixed grain arrive at terminal markets.

Sales of wheat and wheat flour under International Wheat Agreement July 19-25 amounted to 2,532,000 bushels, most of it as grain. All but 176,000 bushels was against 1950-51 quotas. Principal purchasers were Portugal, Peru, Netherlands, Brazil, and Cuba.

Harry Whiteside, Chicago Market News, spent August 4 in Battle Creek, Michigan, in connection with seed verification work that he performs in addition to his market news activities.

A considerable amount of the wheat arriving in Chicago from Michigan is sprout damaged and appeals for regrading are running very high, according to the District Inspection Office headed by C.L.Cannon.

## LIVESTOCK BRANCH

Meat production for week ending July 29 was 289 million pounds, smaller than previous week, but 6 percent above year earlier.

The Packers and Stockyards Division has just completed semi-annual testing of scales used by live poultry dealers in the Chicago area. All scales were found satisfactory with only minor adjustments.

## POULTRY BRANCH

A Fact Sheet on new cases, flats and fillers for eggs has been issued by the Poultry Branch. Explanation is made that egg size has increased so that packaging materials now used do not accomodate many eggs coming to market, resulting in excessive breakage, and loss to producers and shippers, averaging as much as \$48 per carload. As a result of breeding for increased egg size, average egg increased in length from 2 1/4 inches in 1917 to 2 7/16 inches in 1946. Effective October 1, 1950, "regular" sizes of cases, flats, and fillers will conform to new, larger sizes.

Purchase of dried eggs to support price of shell eggs to producers will be continued through September at same rate which has prevailed since January. Egg driers must certify that they have paid producers at least 25 cents per dozen at the farm, or 27 cents delivered at the drying plant. (Release July 28.)

Dried whole egg purchases this week again reflected underlying strength in the egg market and a continuation of an upward trend which began about six weeks ago. The week's total purchase was 369,190 pounds, by far the lightest purchase of any week so far this year. Cancellations amounted to 628,115 pounds, leaving net purchases of dried eggs for price support for the year so far at 75,432,570 pounds; a somewhat smaller net total than for the previous week.

Sales of dried whole eggs under the export program were the heaviest for a single week of any previous week this year. The total amounted to 185,390 pounds at 30 cents a pound f.a.s. New York. These transactions made total sales of dried eggs under this program 3,202,576 pounds to date.

## FOREIGN AGRICULTURAL RELATIONS

Thirteen farmers from Western Germany are visiting the Midwest, under a program in which USDA and the State Department are cooperating. Otto Albert, PMA Grain Branch, is acting as guide and interpreter for the group. Farm organizations will act as hosts to the group in each state, and it is expected that they may visit several state and county PMA offices.

### Itinerary:

August 7-11 - Chicago.

14-18 - Iowa

21-24 - Missouri

Sept. 4-8 - North Dakota

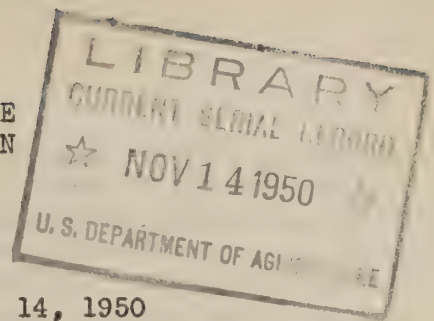
9-15- Minnesota

18-22- Wisconsin

25-29- Michigan

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UNITED STATES DEPARTMENT OF AGRICULTURE  
PRODUCTION AND MARKETING ADMINISTRATION  
Information Branch  
623 South Wabash Avenue  
Chicago 5, Illinois



FOR ADMINISTRATIVE USE ONLY

August 14, 1950

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: John C. Baker, Chief, Information Branch, Midwest Area

THIS WEEK'S SPOTLIGHT

Chicago PMA Commodity Office

Back about 1942, the American farmer was broke - or certainly "badly-bent" economically. The average price he received that year for hogs was \$3.34 per cwt.; corn, 32¢ a bushel (15¢ in some Midwest areas); wheat, 38¢ a bushel; eggs, 14¢ a dozen; butter, 17.9¢ per pound. Those were average national prices for the year. They were a lot lower in some months - higher in others, and always much lower in the heavy producing areas of the Midwest than in the regions surrounding the big metropolitan areas of the east coast.

The "big depression" was on, and against this back-drop, the Commodity Credit Corporation was organized in 1933 to provide a definite price support mechanism in the over-all farm stabilization program which was being developed. CCC's goal was to prevent agricultural collapse and to put the farmer back into his rightful place in a prosperous American economy.

The Corporation fulfilled the task it was established for, and during the war assumed many additional, vitally important assignments in the wartime food programs. Since the war, CCC has again proved a vital factor in the American agricultural economy. The farm programs, so efficiently carried out by the agency, are credited with helping to maintain the stability of farm prices and current prosperity of U. S. farmers in a period when post-war dislocations of production and markets threaten the very foundations of our farm economy.

In the face of continuing high production, dwindling export markets and reduced consumer purchasing power, CCC's price support programs and related activities have been instrumental in maintaining the prices of most of the major farm commodities at or near the level designated in the farm support legislation. These operations have required and, now require the continued attention and direction of a large staff of experienced administrators and clerical help. They involve the handling of vast sums of funds authorized by the Congress to carry out the farm support and related programs. The Corporation functions through 10 PMA Commodity offices in the U.S., three in the Midwest area at Kansas City, Minneapolis, and, the largest in Chicago.

(more)

George D. Bradley, who has been with CCC since 1933, directs the Chicago office. Donald E. Smith is assistant director for programs, and M. R. Livingston, assistant director for management. Director Bradley's staff includes 23 experienced employees - the Director and his assistants, a field representative, and the clerical staff. Marvin Smith represents the Commodity Office in the field to convey to the various state offices of FMA in the area, (Iowa, Illinois, Indiana, Michigan, and Ohio) information and counsel concerning price support programs, and to assist these offices in storage and other problems which may arise.

Briefly stated, the functions of the Chicago Office of Commodity are to support prices of the various commodities under price support through loans and purchases in the area; to make purchase and shipment of agricultural products under the Agricultural Supply Program, the National School Lunch Program, the International Wheat Agreement, and Sections 32, 416, and 471.

Commodities currently under support, either through loan, purchase agreement or direct purchase, are wheat, corn, soybeans, oats, dry edible beans, flaxseed, Irish potatoes, eggs, turkeys, dairy products, and honey. In addition, machinery is set up to support the price of pork should it become necessary.

To carry out all its functions, the tasks of the office are assigned to four major divisions - the Director's staff, which we have referred to; the Fiscal Division; Transportation and Warehousing Division; and the Commodity Division. Each of the last named three divisions functions in such a large way that we will tell you about them in future editions of the Midwest Information Summary.

The over-all reports will tell you how the Commodity office takes care of your bi-weekly check, handles many thousands of accounting entries every month involving sums up to 10 figures, services the loans on hundreds of millions of bushels of grain and oilseeds in the five-state area, directs the movement of many thousands of cars of commodities acquired in CCC operations, and, last but not least, is prepared to and does sell tremendous quantities of the price support commodities back to the domestic trade or, for export.

Next week -- Fiscal Division, Chicago Office of Commodity.

\* \* \*

ON THE CALENDAR

August 11 - 20	Springfield, Illinois State Fair
Tuesday -	
August 12 - 19	Chicago, National Food Distributors Association
August 15	PMA Office, Chicago, Meeting of Area Grain Trade Committee
August 15 - 20	Escanaba, Michigan, Upper Peninsula State Fair
Wednesday,	
August 16	Washington, PMA Committeemen from vegetable producing states in vegetable production and marketing meeting.
Thursday,	
August 17	Chicago, Cheese marketing meeting - PMA and trade.
Friday,	
August 18-19	Detroit, Michigan Bean Shippers Association
Saturday,	
August 19 - 27	Milwaukee, Wisconsin State Fair
Sunday,	
August 20 - 27	Sedalia, Missouri State Fair
Monday,	
August 21 - 22	Peoria, Illinois Feed Association
Tuesday,	
August 22	Chicago, Meeting of six state PMA committee representatives re Potato Marketing Order 60
Friday,	
August 25-Sept. 1	Des Moines, Iowa State Fair
Saturday,	
August 26-Sept. 4	St. Paul, Minnesota State Fair Columbus, Ohio State Fair
Sunday,	
August 27	Chicago, PMA picnic. Forest preserve

OFFICE OF AUDIT

R. L. Wright, chief of the area office, will visit the Iowa State PMA office in Des Moines this week.

## COMMODITY OFFICE

A major move, to provide more convenient arrangement and space for additional clerical help, has been completed by the Area Commodity Office, with the assistance of Administrative Services. All division chiefs now are on the 8th floor, more readily accessible to Director Bradley's office. The Loan and Custody Section, under Mr. Sullivan, has moved to the 6th floor. Administrative Accounting, under Mr. Hokanson, Program Accounting Section under Mr. Horwitz and Accounts and Reports unit all have been moved to the 8th floor.

D. E. Smith, and Richard Hostrup were in Washington last week, in connection with bean storage problems.

Mr. Smith is a speaker on the program of the Michigan Bean Shippers Association, at Detroit, on Friday and Saturday of this week.

D. E. and Marvin Smith are in Des Moines, Tuesday, to discuss the new grain storage handbook with Iowa state and county committeemen.

## COMPLIANCE AND INVESTIGATION

Compliance and Investigation staff members in the Midwest Area are beginning a survey of procedures in state and county offices in dealing with purchase of 1950-crop potatoes under the price support program.

Three potato handling firms in Hollandale, Minnesota, were fined a total of \$1,000 on charges of violating Potato Marketing Order 60. Paul D. Jones, Inc., Northern Valley Packing Corp., and Hollandale Marketing Association were defendants; all pleaded "nolo contendere." All were charged with shipping potatoes below grade and size, and last concern charged with marketing potatoes that had not been inspected. Fines assessed on August 8.

## COTTON BRANCH

CCC loan repayments were reported on 113,500 bales for the week ended August 3, bringing total repayments for the season to 2,802,900 and leaving loans outstanding on 387,100 bales of the 1949 crop.

Cotton prices advanced about \$3.50 per bale. Reported sales in the 10 spot markets totaled 354,923 bales compared with 360,900 bales last week and 69,900 in the corresponding week a year ago. Old crop cotton comprised the bulk of these sales but the new crop is entering trade channels in increasing volume. Exports in June totaled 741,100 bales, the largest for any month in over 10 years. The world carryover on August 1, 1950 is estimated at 16.6 million bales by the International Cotton Advisory Committee.

CCC sold 572,355 bales of 1948-crop cotton, following an offer to sell made on July 21. This brings to 1,184,526 bales the total amount of 1948 pooled cotton which has been sold.

# DAIRY BRANCH

Prices to milk producers in Minneapolis-St. Paul milk marketing area were reduced, effective August 16 through November. Price of Class I milk was reduced 15¢ and Class II 6¢ per hundredweight, under Federal milk marketing order.

Minimum prices to producers in Columbus, Ohio, area were increased 10¢ per hundredweight, August through November, for both Class I and Class II milk.

Nine changes have been recommended for the Federal milk marketing order in Cincinnati, designed to make the order conform more closely to other market orders, and to reflect market conditions more accurately.

## Price Support Purchases and Sales Through August 5: (Figures in Pounds)

<u>Product</u>	<u>Purchases July 31-Aug. 5</u>	<u>Total 1950 Purchases 1/</u>	<u>1949-50 Purchases Unsold as of Aug. 5</u>
Butter A	572,466	83,355,738	(
Butter B	1,624,384	39,406,304	( 192,500,000
	<u>2,196,850</u>	<u>122,762,042</u>	
Cheese	8,081,872	89,487,237	97,400,000
Spray milk			
solids	7,109,547	223,364,107	(
Roller milk			( 348,200,000
solids	1,156,600	90,327,036	(
<u>Product</u>	<u>Sales to Trade July 31-Aug. 5</u>	<u>1950 Sales to Domestic Trade</u>	
Butter A	none	173,465	
Butter B	none	5,669,562	
Butter C	none	632,061	
		<u>6,475,088</u>	

1/ Adjusted for contract amendments.

<u>Product</u>	<u>Sales to Trade July 31-August 5</u>	<u>1950 Sales to Domestic Trade</u>
Cheese A	33,510	6,157,895
Cheese B	33,065	986,773
Cheese C	14,656	349,181
	<u>81,231</u>	<u>7,493,849</u>

## FRUIT AND VEGETABLE BRANCH

Purchase of 1950 crop potatoes through August 8 totaled 3,674,744 hundred-weight. Of this amount 1,321,559 hundredweight went to livestock feed; 13,469 to penal institutions; 110,865 to Section 416; and 2,168,851 to re-sale.

Purchase of topped beets in eastern Pennsylvania through August 9 totaled 13,800 50-pound sacks.

Export subsidy programs through August 5 stood at:

Fresh oranges, 1,583,440 boxes; \$2,611,913  
Canned single strength orange juice, 73,743 cases No. 2's; \$75,314  
Concentrated orange juice, 164,581 gallons; \$238,493  
Honey, 5,031,178 pounds; \$226,403  
For National School Lunch, 115,000 cases No. 3's of concentrated orange juice; \$1,513,609

Under the honey diversion program the figure remains at 50,000 pounds; cost, \$1,875.

\* \* \*

Three potato handling firms in Hollandale, Minnesota, were fined a total of \$1,000 on charges of violating Potato Marketing Order 60. Paul D. Jones, Inc., Northern Valley Packing Corp., and Hollandale Marketing Association were defendants; all pleaded "nolo contendere." All were charged with shipping potatoes below grade and size, and last concern charged with marketing potatoes that had not been inspected. Fines assessed on August 8.

\* \* \*

Amendments to Marketing Order 60, governing potatoes produced in North Central States, were announced August 14. Amendments would add portions of Indiana and Iowa to North Dakota, Minnesota, Wisconsin, and Michigan, already governed by order. Opinions and exceptions may be filed until August 26. Final decision by Secretary of Agriculture, if favorable to the amendments, would be followed by referendum of growers in the six states. Two-thirds of growers must favor amendments in order for them to become effective. Unfavorable vote means no price support activities.

To prepare plans for referendum of potato growers, state PMA committee representatives, will meet with R. E. Keller, marketing programs officer for Midwest area, in Chicago on August 22.

\* \* \*

Purchase of 434,400 cases of canned sour cherries, as a price support measure, was announced on August 9. Cherries were bought from processors in Michigan, New York, and Pennsylvania, at average price of \$4.13 per case. Distribution to eligible domestic outlets.

(more)

## FRUIT AND VEGETABLE BRANCH (Cont'd)

Federal marketing order and agreement for potatoes grown in 14 counties of Wyoming and 13 counties of Nebraska has been recommended by USDA. Opinions may be submitted until August 21, after which final decision will be made as to whether the proposed order and agreement will be submitted to growers in a referendum vote.

Shipments of potatoes produced in San Luis Valley of Colorado will be limited to 2 inches diameter or larger effective August 15. This raises size requirements under the marketing order 1/2 inch.

### Processed Products --

Max S. Austin, who was formerly district supervisor in Chicago, returned here to that post last week. He left here in July, 1948 and since then has been with the branch in Washington, D. C. In Chicago, he succeeds Lawrence T. Ryan.

### Fresh Products --

Neal Sanborn will go to Gorman, Texas, August 28, to attend a conference of CCC officials and branch officials on plans for handling farm inspection of the peanut crop in Texas and Oklahoma.

## FATS AND OILS BRANCH

### Cottonseed Oil Program

Beginning February 1950 through August 7, 1950, CCC has sold 164,824, 202 pounds of crude and refined cottonseed oil. Crude sales total 130,326,741 pounds and refined sales total 34,497,461 pounds. These sales were consummated by the Dallas and San Francisco PMA Commodity Offices and the Fats and Oils Branch. Sales included 38,739,591 pounds of crude cottonseed oil for export.

### Flaxseed and Resultant Linseed Oil - 1949 Program

From April 18, 1949 to April 19, 1950, 7,545,359 bushels of flaxseed were sold and 154,498,372 pounds of resultant linseed oil were purchased. On April 19, 1950, the operations were decentralized and the PMA Commodity Offices (New York, Chicago, Minneapolis, and San Francisco) have sold 5,363,069 bushels of flaxseed and purchased 107,370,807 pounds of resultant linseed oil. This reflects through August 7, 1950, total sales of 12,908,428 bushels of flaxseed and purchases of 261,869,179 pounds of resultant linseed oil. Our present inventory of linseed oil, which includes oil acquired under the 1948 Processor Agreement, totals 544,968,000 pounds as of August 7, 1950.

### Sale of Linseed Oil

Since July 1, 1950, CCC has disposed of 3,065,136 pounds of linseed oil of which 240,000 pounds were sold for export and 2,825,136 pounds were sold for domestic use.

## FATS AND OILS BRANCH (Cont'd)

### 1950 Crop Peanut Price Support Program

The basic support price for 1950 crop farmers' stock quota peanuts has been announced at 10.8 cents per pound or about \$216.00 per ton. Premiums and discounts are similar to those applicable to the 1949 crop. The basic rate of the marketing quota penalty is 5.4 cents per pounds.

## FOOD DISTRIBUTION PROGRAMS BRANCH

Six Midwest states have either completed arrangements or are making plans for the repackaging of Section 416 commodities. Those commodities to be repackaged include butter, cheese, dried milk, and dried eggs. States setting up repackaging programs are Illinois, Iowa, Michigan, Minnesota, Ohio, and Wisconsin. By repackaging the commodities, those states enable many smaller schools and institutions to accept them where they otherwise would not be able to handle the initial large packages.

\* \* \*

Oscar F. Beyer and John James will be in Springfield, Illinois, Tuesday, to confer with school lunch and direct distribution agencies on cooperation and coordination of the two programs in the state of Illinois.

\* \* \*

An allocation of concentrated orange juice, purchased with Section 6 funds for schools cooperating in the National School Lunch Program has been made to the Midwest. The orange juice is a 3 to 1 concentrate, and will be distributed in the period August 28-October 20. Illinois will get 5-3/4 cars; Iowa and Minnesota, 2 each; Nebraska, half a car; Ohio, 3-1/2; Wisconsin, 1-1/2; Indiana, 2-1/4; Missouri, 2-1/2; and the Dakotas and Michigan, a quarter of a car each.

An allocation of slightly more than 61 cars of canned sour cherries has been made to the Midwest. It will be distributed to schools and non-profit institutions.

\* \* \*

Dannis Doyle, of the Washington FDPB office, is spending this week Tuesday through Friday in Chicago, in connection with the National School Lunch Program in the Midwest area.

Institutions in Pennsylvania, West Virginia, Kentucky, Alabama, Mississippi, and Georgia are processing beets now being offered under the Department's program for removing surplus agricultural commodities.

## GRAIN BRANCH

CCC has contracted for grain bins with capacity of 88,826,040 bushels. All structures can be dismantled and moved to other locations or converted to other uses. Average cost is about 22.5 cents per bushel. Bins are made of steel, aluminum, wood, or combinations of aluminum and wood. Contracts were awarded to 20 different manufacturers.

CCC has agreed to exchange 215,000 bushels of corn for a strategic and critical material. Nature of the material and country producing it are not announced.

Wheat sales, August 2-8, under International Wheat agreement amounted to 6,163,000 bushels of wheat (including flour.) Principal buyers were Germany, Brazil, Belgium, and Netherlands.

Harry Whiteside, Chicago Market News, will spend a day or two in Petersburg, Indiana, this week in connection with seed verification work.

## LIVESTOCK BRANCH

John Pierce, Jr., and Lowell Strong, Grading and Standardization Division, conducted a hog grading demonstration at the Chicago stockyards on Monday and Tuesday. Trade members were shown what the proposed new U. S. standards are for grading hogs. By sorting and following hogs on through to the killing floors, it was demonstrated how much more valuable the meat type hog is.

## OFFICE OF MANAGEMENT

Ted Anderson, area management representative, spent three days of last week in Washington, conferring with P A administrative officials. This trip was preceded by conferences at the Commodity office in Minneapolis, and the Milk Market Administrator's office in Duluth.

### Administrative Services

Administrative Services is carrying on negotiations with other agencies to procure surplus office equipment to meet the needs of the Commodity office; which has increased its personnel.

M. J. Whalen of the Chicago area office, and Ernest Thompson, of Washington, records technicians, are visiting state offices in Nebraska, South Dakota, North Dakota, and Wisconsin, instituting the subject-numeric filing system.

### Personnel

Maurice Ward, chief of the Personnel division, is spending the early part of this week in St. Louis, conferring with the regional office of the Civil Service Commission, and with PMA offices in the city.

## Personnel (Continued)

Mr. Ward will go to Washington the week of August 21 for a meeting of PMA personnel officers.

Harold Gross and Hanna Dowell, Classification Section, visited the Commodity Office in Minneapolis last week.

Several new clerical workers have been recruited recently for the Commodity office.

John Campbell, as president of the PMA Club, has announced a PMA picnic, for all PMA employees and their families, Sunday, August 27, at the Che-Chu-Pin-Qua Grove in the Forest Preserve, near intersection of Irving Park Road and Cumberland Avenue.

## POULTRY BRANCH

Inspection of storage eggs for possible delivery on the Chicago Mercantile Exchange was started this week by the Inspection and Grading Office at Chicago. The work will require about three weeks, reflecting the large volume of eggs to be inspected. About 34 men - 32 for grading and 2 for supervising - are engaged in work.

\* \* \*

Edward Small, Officer in Charge of Inspection and Grading at Chicago, will spend about a week in Ohio, getting Ransom Slack started as dairy and poultry products supervisor for that state.

Dried whole egg purchases for price support continued very light last week with a total of 773,792 pounds acquired for August and September delivery. Cancellations remained heavy at 334,010 pounds, although they were substantially lighter than a week ago. As a result of the week's transactions total purchases of dried eggs for 1950 so far now stand at 75,871,452 pounds.

Sales of dried whole eggs for export amounted to 33,600 pounds, packed in barrels, at 30 cents a pound f.a.s. New York. Net sales for export now stand at 3,236,176 pounds.

Representatives of the Poultry Branch, the Food and Drug Administration, and the Poultry industry met recently to discuss desirable terminology to be used to describe poultry which is artificially caponized with diethylstilbestrol capsules. This step is being taken because the volume of birds so treated is expanding in poultry markets throughout the country. The Branch reports that the term "Caponettes" is in relatively common use to describe such poultry, and at the meeting it was tentatively agreed that this term would probably be satisfactory. Food and Drug Administration representatives, however, were inclined to believe that supplementary  
(more)

POULTRY BRANCH (Cont'd)

descriptive language as, for example, "diethylstilbestrol treated" should be added to labels applicable to such poultry and likewise in market reports. Final conclusions will not be made until there is further consideration of the problem by the Food and Drug Administration and the poultry industry.

TRANSPORTATION AND WAREHOUSING BRANCH

Because of congestion at certain elevators at Galveston, Texas, the Association of American Railroads on August 1, issued Embargo No. 46 applicable to all shipments of grain except those moving on a permit. Since August 1, the CCC has operated on this permit system. Grain is moving more freely now and it is expected that the Embargo will be lifted soon.

The ICC has issued Service Order 856 effective August 1, 1950, which provides that Saturdays and Sundays shall be included in computing demurrage charges after expiration of free time.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
PRODUCTION AND MARKETING ADMINISTRATION  
Information Branch  
623 South Wabash Avenue  
Chicago 5, Illinois

JUL 6 - 1951

FOR ADMINISTRATIVE USE ONLY

August 21, 1950

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area  
From: John C. Baker, Chief, Information Branch, Chicago

JCB.

THIS WEEK'S SPOTLIGHT

Chicago Commodity Office - Fiscal Division

Farmers in the five Midwest states served by the Chicago Commodity Office had incomes totaling \$6,201,773,000 in 1949 - about 22 per cent of the farm cash receipts in all the 48 states last year, and \$1,600,000,000 more than all the cash receipts of U.S. farmers in 1932, the year before CCC was set up. A good share of the credit for maintaining this high farm income can be attributed to price support programs and other related activities administered by CCC because support programs establish a floor under farm prices.

There's a lot of plain hard work to carrying out these programs -- administrative - financial - accounting - auditing - claims - filing - mailing - and more. These very important responsibilities are assigned to CCC's Fiscal Division, headed in the Chicago Office by Richard W. Hostrup. The division is composed of four sections: Program Accounting, Loan and Custody, Program Examination, and Administrative Accounting.

Program Accounting - This section, under Oscar Horvitz, handles over 19,000 accounting entries each month, with about \$1,000,000,000 on each side of the ledger at the end of the four-week period. What's an entry? Well, it may record an individual loan on a farmer's corn near Bubbling Water, Iowa, or it may cover many loans. It may record a purchase of grain, butter, or a storage bin - or a large cluster of the shiny aluminum bins you see near every town or hamlet along Midwest highways.

When John Jones, farmer, applies for a loan on his corn, the County PMA Committee checks on the quantity and quality of the grain and the building in which the corn is stored. If all are o.k., the Committee approves the loan; and Mr. Jones obtains the money from his local bank, Production Credit Association, or any other local agency accredited to CCC.

(more)

The loan papers are then mailed through the State PMA office to the Chicago Commodity Office, and an accounting entry of the transaction is made in the ledger - one side listing the liability, the other the corn collateral. Similar entries are made recording every transaction in farm programs in which CCC may be a party.

The Section's tabulating unit has about 2,000,000 active cards, each representing an individual action related to loans, purchases, sales, or any other financial transaction in the far-flung farm program. There may be one or two, five, or more cards recording important information concerning an individual loan, purchase, or disposal action. The rental of the tabulating equipment alone runs around \$100,000 annually.

At the end of each month, the section takes stock of Chicago Commodity Office's status with relation to inventories, loans, storage facilities, or other CCC assets and liabilities. The net results are a hundred inventory reports covering CCC's assets and liabilities -- its inventories in all positions -- outstanding loans on price support commodities -- and everything related to the debit and credit side of a billion dollar business.

(Next week - Chicago Commodity Office - Loan and Custody Section)

#### ON THE CALENDAR

Monday, August 21 - 27	Milwaukee, Wisconsin State Fair
"      "      "	Sedalia, Missouri State Fair
21- 22	Peoria, Illinois Feed Association
Tuesday, August 22	Chicago, State PMA representatives; potato referendum
Thursday, August 24	Urbana, Illinois Farm Sports Festival
Friday, August 25-Sept. 2	Des Moines, Iowa State Fair
Saturday, August 26-Sept. 4	St. Paul, Minnesota State Fair
"      "      "      "	Columbus, Ohio State Fair
Sunday, August 27	Forest Preserve, PMA picnic
Monday, August 28	Springfield, American Soybean Association
Tuesday, August 29	Detroit, National Dietary Foods Assn.
	E. Lansing, Mich., State 4-H Club Show
Friday, Sept. 1-10	Detroit, Michigan State Fair
Saturday, Sept. 2-10	Indianapolis, Indiana State Fair
Sunday, Sept. 3-8	Lincoln, Nebraska State Fair

## COTTON BRANCH

CCC sales of pooled 1948-crop cotton in July totaled around one million bales. Carryover of 6,505,000 bales on August 1, 1950, was smaller than was expected, according to the Bureau of the Census. This compares with 5,287,000 bales a year earlier and 3,080,000 two years ago.

The indicated supply of cotton in the U. S. for the current season is about 16.8 million bales. This consists of 6.5 million bales in the carryover, a crop forecast at the equivalent of about 10.1 million running bales and imports of around 200,000 bales. This indicated supply is substantially under the 21.5 million bale supply for 1949-50, but is only one million bales smaller than the 1948-49 supply.

The disappearance of all kinds of cotton in 1949-50 was the largest in 21 years -- 14,812,000 bales. Of this 8,870,000 bales were consumed by mills, 5,905,000 were exported, and 37,000 destroyed by fire and other means.

Contracting for the new crop of cotton was active. Repayments on 1949 loan cotton totaled 93,700 bales in the week ended August 10, leaving loans outstanding on 293,500 bales on that date.

## DAIRY BRANCH

Indications are that price-support holdings of butter may be nearing their peak for 1950, Branch officials believe. Weekly purchases of butter which were running well over 10 million pounds in June are now down to a weekly total of about 1 million pounds. In addition, a sale of 886 thousand pounds was made to the trade early this week. In view of the smaller purchases and signs of resale activity to the trade, officials believe that the butter inventory, which stood at 191-1/2 million pounds as of August 14, may go little higher than 200 million pounds this year. Purchases in 1950 total 124 million pounds as of August 12 compared with total purchases in 1949 of 114 million pounds.

Recent actions with respect to Federal milk marketing orders include: (1) amendment of the Minneapolis-St. Paul Federal order, reducing by 15 cents per hundredweight from August 16 through November the price differential for Class I milk and reducing by 6 cents per hundredweight the minimum price for Class II milk so as to more accurately reflect yields and costs in the processing of manufactured dairy products, and (2) scheduling of a public hearing in Philadelphia for August 29 to consider proposals for establishing minimum Class I milk prices during the fall and winter months.

(more)

DAIRY BRANCH (Cont'd)

CCC office in Minneapolis sold 886,400 pounds of Grade A butter to Land O'Lakes dairy cooperative last week.

Price-Support Purchases and Sales, through August 12:  
(Figures in Pounds)

<u>Product</u>	<u>Purchases</u> <u>August 7-12</u>	<u>Total 1950</u> <u>Purchases 1/</u>	<u>1949-50 Purchases</u> <u>Unsold as of August</u>
Butter A	163,924	83,490,982	{ 191,500,000
Butter B	876,868	40,254,716	
Butter C	***	--	
	<u>1,040,792</u>	<u>123,745,698</u>	
Cheese	3,617,702	93,078,475	100,400,000
Spray milk			
solids	6,341,418	229,631,074	{ 355,300,000
Roller milk			
solids	<u>1,273,040</u>	<u>91,548,076</u>	
	<u>7,614,458</u>	<u>321,179,150</u>	

<u>Product</u>	<u>Sales to Trade Aug. 7-12</u>	<u>1950 Sales to Domestic Trade</u>
Butter A	---	173,465
Butter B	---	5,669,562
Butter C	---	632,061
		<u>6,475,088</u>
Cheese A	382,157	6,540,053
Cheese B	12,323	999,096
Cheese C	<u>4,910</u>	<u>354,091</u>
	<u>399,390</u>	<u>7,893,240</u>

1/ Adjusted for contract amendments.

John I. Thompson, Assistant Administrator for Marketing, was a speaker at a meeting held by the American Cheese Institute to lay plans for a cheese promotion campaign during October. Mr. Thompson stated that PMA assistance would be available during the month.

Ed Small, Chicago Inspection and Grading Officer, will "kill a number of birds with one stone" this week.

Small will accompany Ransom Slack, newly appointed Supervisor for Ohio, on a "get-acquainted" trip, visiting resident graders at the Picka-way Dairy Cooperative, Circleville, and Blue Valley Creamery, Columbus, who will report to Slack.

(more)

DAIRY BRANCH (Cont'd)

On Friday morning, Small will participate in the monthly butter "audit" at Ohio State University. In the afternoon, he will judge Cheddar Cheese and Creamery butter at the Ohio State Fair.

Dr. T. I. Hedrick, Chicago Laboratory head, spent August 16 and 17 at the Consolidated Badger Dairy Cooperative, Shawano, Wisconsin, which is starting a laboratory in cooperation with the Grading and Inspection Service.

\* \* \*

Two recent Chemist grads - Elaine Tracy from Rosary College and Catherine Clancy from Mundelein College - are new appointees to the Chicago laboratory.

\* \* \*

FATS AND OILS BRANCH

Cottonseed Oil Program

Beginning February 1950 through August 14, 1950, CCC made the following sales of cottonseed oil through its Dallas and San Francisco PMA Commodity offices:

<u>Sales of Crude</u> Pounds	<u>Sales of Refined</u> Pounds	<u>Total Sales</u> Pounds
1/ 134,159,891	38,077,461	172,237,352

1/ Includes 38,739,591 pounds sold for export to Canada, Germany, and Japan

Flaxseed and Resultant Linseed Oil - 1949 Program

From April 18, 1949 to April 19, 1950, 7,545,359 bushels of flaxseed were sold and 154,498,372 pounds of resultant oil were purchased. Since April 19, 1950, when operations were decentralized, the PMA Commodity Offices (New York, Chicago, Minneapolis, and San Francisco) have sold 5,363,069 bushels of flaxseed and purchased 107,370,807 pounds of resultant linseed oil. This reflects through August 14, 1950, total sales of 12,908,428 bushels of flaxseed and purchase of 261,869,179 pounds of resultant linseed oil. CCC inventory of linseed oil totals 541,431,000 pounds as of August 14, 1950, including oil acquired under the 1948 Processor Agreement.

Sale of Linseed Oil:

From July 1, 1950 through August 14, 1950, CCC sold the following quantities of linseed oil, through its PMA Commodity Offices at New York, Chicago, and Minneapolis:

<u>Sales for Domestic Use</u> Pounds	<u>Sales for Export</u> Pounds	<u>Total Sales</u> Pounds
6,361,761	240,000	6,601,761

## FOOD DISTRIBUTION PROGRAMS BRANCH

John I. Thompson, Assistant Administrator for Marketing, was a speaker at a meeting held by the American Cheese Institute to lay plans for a cheese promotion campaign during October. Mr. Thompson stated that PMA assistance would be available during the month.

John Janus is in Des Moines, Iowa, this week to discuss further development of the administration of the direct distribution program.

Ina Morris joined Stelle Graff, state school lunch director, and his staff for a series of school lunch workshops in counties in Southern Illinois

Jeanette Hampton, who has been on assignment in the Chicago office, has returned to the St. Louis office to make plans to assist with school lunch workshops in North and South Dakota. She will leave for these states soon to take part in the workshops.

Clair Underwood accompanied Dennis Doyle, of the Washington office, to Indianapolis, Indiana for the first 2 days of this week to confer with Stanleigh McDonald, director of the school lunch division, on adjustment of indemnification rates for lunches in that state.

School lunch contracts for the forthcoming school year will be sent to the more than 1,000 parochial and private schools which have lunch programs administered by the Midwest area office by the end of this week.

The Midwest area office has planned plentiful food campaigns on Halehaven peaches and sweetpotatoes. That on peaches is now underway. The sweetpotato push is nationwide and is set for the period September 18 through October 14 with special emphasis in the Midwest the period September 21 through 30. Sweetpotato crop this year is largest since 1946, but consumption is down. About 14 pounds per capita last year, compared to average of about 20 pounds during period 1909-39.

### Direct Distribution

Orders for Section 416 commodities placed in July totaled 12.6 million pounds -- an increase of 56 percent over June. The amount ordered by institutions in July was almost double the June amount. Public and private welfare organizations increased their takings from 1.7 million pounds in June to 4.7 million in July.

Approximately 427,000 cases of red sour pitted cherries, acquired under a Section 32 purchase program, have been made available to States for distribution to school lunch programs and charitable institutions.

## FRUIT AND VEGETABLE BRANCH

Representatives of state FMA committees in North Dakota, Minnesota, Wisconsin, Michigan, Iowa, and Indiana meet in Chicago, Tuesday, August 22, with R. E. Keller, to make plans for a referendum of potato growers. Growers will vote on amendments to Agricultural Marketing Order 60, which regulates marketing of potatoes in four states; proposed amendments would extend Order 60 to parts of Indiana and Iowa. Referendum is expected to be conducted latter part of September.

A revision of U. S. standards for grades of canned apple sauce was published in the Federal Register August 18 and becomes effective 30 days after publication. Similar action is anticipated about August 22 for frozen concentrated orange juice.

The topped beet purchase program in Pennsylvania was terminated August 15. Purchases totaled 17,400 50-pound sacks at a commodity cost of \$11,310.

Purchase of 1950 crop Irish potatoes through August 15 totaled 3,884,937 hundredweight. Of this amount, 1,424,843 hundredweight went to livestock feed; 13,769 to penal institutions; 131,626 to Section 416; and 2,314,700 to re-sale.

As of August 12, export subsidy programs stood at:

Fresh oranges, 1,615,531 boxes;	\$2,666,512
Canned single strength orange juice, 74,316 cases No. 2's;	\$75,916
Concentrated orange juice, 190,941 gallons;	\$276,714
Honey, 5,031,178 pounds;	\$226,403

## Regulatory

J. W. Branch has gone to Benton Harbor, Michigan, and Edward Gibson to Grand Junction, Colorado, to work on PACA licensing in connection with peach marketing in both areas.

W. A. Hilgeson will go to Minneapolis and Duluth, Wednesday to spend the rest of the week in connection with regulatory work.

## Processed Foods

Inspectors have begun work at sweet corn processing plants in Minnesota, Wisconsin, and Indiana. Other inspectors are being moved from Michigan and other points to tomato processing centers in Ohio and Indiana.

### GRAIN BRANCH

Exports of all grains and grain products during July estimated at slightly over 29 million bushels, compared to 50 million in July, 1949. Wheat and wheat products amounted to 19 million, almost 12 million under year ago. Exports of other grains were less than half of year ago.

\* \* \*

Recent Canadian crop reports, added to our own, indicate that North American wheat supply for 1950-51 (crop plus carryovers) will be about 140 million bushels more than for 1949-50. The Canadian crop, estimated at 544 million bushels, is the third largest on record. Canada also has good crops of oats, rye, and barley. Estimates are that Canada will have available for sale about 200 million bushels of wheat over and above the quantities committed to fill its quota under International Wheat Agreement.

With regard to United States wheat agreement sales during the past year, while press has made much of the deficit between sales and quotas, the fact is that quotas are stated on an annual basis whereas some countries were in the agreement only part of the year. When adjustments are made for the actual time they were "in," the short-fall between sales and adjusted quotas is not nearly so large. USDA will soon issue a detailed report on the year's operations under the agreement.

Jason E. Barr, Chief of the Inspection Division at Washington, was a visitor to Chicago office of the Branch this week.

### INFORMATION BRANCH

Vincent Freymann, assistant chief, is in charge of a USDA exhibit, covering many activities of the Department, at Wisconsin State Fair, at Milwaukee.

### LIVESTOCK BRANCH

The United States has the resources to increase sheep production from the present 27 million head to about 37 million head, and there would be a market for the meat and wool produced by this larger number. This conclusion is reached in a report "Domestic Wool Requirements and Sources of Supply" made jointly by PMA and BAE. Copies available from Information Branch, PMA, Washington.

### OFFICE OF MANAGEMENT

G. R. McPherson, chief of the Office of Administrative Services in Washington, is in Chicago conferring with the staff of the area office.

\* \* \* \*

### POULTRY BRANCH

Breakage of eggs in freight cars greatly reduced by stacking cases close together, filling spaces with buffing material such as straw or wood and stacking cases four-high instead of five-high. These findings contained in new report, "Reduction of Loss and Damage in Rail Transportation of Shell Eggs by Improved Loading and Bracing." Copy available from FMA, Washington.

Dried whole egg purchases for price support this week amounted to 1,130,692 pounds with no cancellations. This was the heaviest buy in several weeks and reflected the change of prices at large markets to levels slightly below the peak of a few weeks ago.

The week's transactions made total purchases of dried eggs for the year to date 77,002,144 pounds.

Sales under the export program this week totalled 44,018 pounds, of which 22,010 pounds were sold at 20 cents f.o.b. the warehouse and 22,008 pounds brought 30 cents f.a.s. New York.

Turkey cancellations under the final phase of the 1949 price support program carried on during July, amounted to 780,039 pounds last week. This left the net buy at 5,723,211 pounds for that month, with the prospect of further cancellations before September 1.

### MARKETING FACILITIES BRANCH

Monthly report on cold storage shows coolers, on July 31, 60 per cent occupied, freezer space 72 per cent occupied. Cold storages of both types hold 3 billion pounds of food, 12 per cent greater than a year ago; 1.3 billion pounds in coolers, 1.7 billion pounds in freezers. Unusually heavy withdrawals of frozen orange juice concentrate, and increase in holdings of frozen vegetables during July were notable items in the report.

TRANSPORTATION AND WAREHOUSING BRANCH

It has been determined that the Dry Edible Bean and Pea Storage Agreement will remain in effect for the forthcoming year commencing September 1, 1950. It will be necessary, however, for the Commodity Office to issue an amendment to the existing agreement which will include provisions for insurance on beans and peas while under loan. This amendment is now being prepared and the text and format will be issued to the Commodity Offices in the near future.

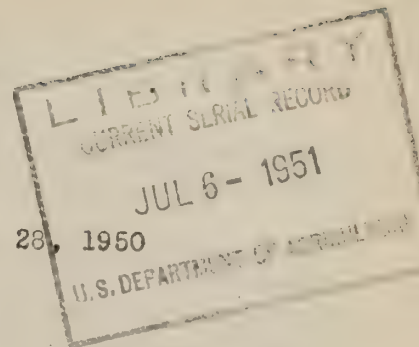
In addition to awards made August 8th for grain storage structures with a capacity of 88.8 million bushels, an award was made August 16th for 550 flat-type structures having a total capacity of 21.0 million bushels. Due to material shortages, however, firm contracts covering structures for a total of only 54.0 million bushels have been received from the manufacturers to date.

Because of military demand for some facilities being used by PMA for storage, it has been necessary to vacate those facilities. A survey is under way to determine what other facilities now being used by PMA are subject to a recapture clause which would require vacating within 30, 60, or 90 days.

There is still a great demand for facilities for storage of grain and the Branch is assisting various PMA Commodity offices in obtaining additional space when required.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
PRODUCTION AND MARKETING ADMINISTRATION  
Information Branch  
623 South Wabash Avenue  
Chicago 5, Illinois



FOR ADMINISTRATIVE USE ONLY

August 28, 1950

MIDWEST INFORMATION SUMMARY

To: PMA Offices in Midwest Area

From: John C. Baker, Chief, Information Branch, PMA, Chicago, Illinois

THIS WEEK'S SPOTLIGHT

(Note: This is one of a series of Spotlight articles, describing functions of the principal units of the Chicago Area Commodity Office, Fiscal Division)

LOAN AND CUSTODY SECTION - C. E. Sullivan, Chief

Out on the farms of Illinois, Iowa, Indiana, Ohio, and Michigan, every farmer takes a personal interest in the price support levels at which he may obtain a loan or purchase agreement on his grains or oilseed crops to insure a fair return for his year's work. If the price of his product in the public markets is below the price support level, and if he has cooperated with the U. S. Department of Agriculture in the matter of acreage allotments or marketing quotas, he is qualified to apply for and obtain a loan or purchase agreement.

The prices of the major farm grains and oilseeds during the past two or three years have been such that most farmers find it to their advantage to take out loans or purchase agreements on most of their field crops. The County PMA committees handle all applications, and issue approvals or disapprovals on all of the loan requests. They also complete the original purchase agreements. The loan and other "paper" in connection with these transactions is sent to the State PMA office, and from there to CCC's Loan and Custody Section in Chicago for final audit and accounting.

The annual total of these loans has reached huge proportions since 1947. During fiscal 1950, ended June 30, Chief Sullivan's section has handed the "paper" in connection with loans and purchase agreements on approximately 195,000,000 bushels of corn; 22,000,000 bushels of wheat; 14,000,000 bushels of oats; 7,000,000 bushels of soybeans; 2 million bags (100 lbs.) of edible beans; 325,000 bushels of flaxseed; 49,000 bushels of barley; and 3,000 bushels of rye.

The loan and purchase agreement paper and records are processed in this section; i.e., they are checked for possible mistakes of every kind both as to errors of computation or form, and completeness of the necessary records and papers on which the loans are based. The section is also custodian and processor of the paper work in connection with 64,000 grain warehouse receipts, with a total of \$123,000,000 worth of grain in collateral.

(more)

Another responsibility of this section is loans on farmer-owned storage facilities, such as bins and cribs.

Another responsibility of this section is the handling of the records on loans made to farmers for putting up their own cribs, bins, and other grain storing facilities. As the national reserve supply of grains has increased each year, farmers have been encouraged to build or buy facilities for storing grain on the farm. Each loan for this purpose finally is handled by the Loan and Custody Section in Chicago.

Handling the loans amounting to almost a half billion dollars to a half million or so farmers in five states, the Loan and Custody Section is an important link in the chain of services which CCC and FMA provide to the farmer.

Next Week: Program Examination Section of the Chicago Commodity Office.

#### ON THE CALENDAR

Monday, August 28 - Sept. 1	-	Des Moines, Iowa State Fair
August 28 - Sept. 4	-	St. Paul, Minnesota State Fair
August 28 - Sept. 4	-	Columbus, Ohio State Fair
August 28 - 30	-	Springfield, Illinois, American Soybean Association meeting.
Tuesday, August 29 - Sept. 1	-	E. Lansing, Michigan State 4-H Club Show
Friday, Sept. 1 - 10	-	Detroit, Michigan State Fair
Saturday, Sept. 2-10	-	Indianapolis, Indiana State Fair
Sunday, Sept. 3-8	-	Lincoln, Nebraska State Fair
Monday, Sept. 4-9	-	Huron, South Dakota State Fair
Tuesday, Sept. 5	-	Minneapolis, American Country Life Ass'n meeting
Wednesday, Sept. 6	-	Pleasantville, Ia., Iowa State Plowing Match
Thursday, Sept. 7	-	Madison, Wisconsin State Milk Sanitarians Ass'n meeting.
Friday, Sept. 8	-	Cedarville, Michigan, Upper Peninsula Dairy Mfrs. Ass'n.
Sunday, Sept. 10-13	-	Chicago, National Frozen Food Locker Ass'n meeting.

## ADMINISTRATOR'S OFFICE

Administrator Trigg reports that, as of June 30, end of the fiscal year, CCC had \$3,538,125,000 invested in price support loans and inventories, and that the corporation lost \$249,230,000 on price support operations during the year. This was about \$5,000,000 less than loss sustained during fiscal '49. Of present investments in loans and inventories, corn is largest item, with over half billion dollars involved, backed by more than 400 million bushels of grain. Tobacco and cotton represent investments of more than \$100 million each.

## COMPLIANCE AND INVESTIGATION

Two men connected with California fruit handling firm were fined \$400 on charges of violating Marketing Order No. 36, governing handling of California plums.

FMA has brought suit in Florida against dairyman on charges of collecting dairy payments on false and fraudulent claims. Total judgment asked is over \$69,000.

## COTTON BRANCH

Highlights of last week included "steady to a little higher" prices, but a decline in 10-market sales as mills and merchants seemed a little more inclined to await the new crop movement. Picking and ginning of new crop made relatively good progress, with farmers selling freely.

CCC reports indicated recent purchases of 1948 pooled cotton much slower than in late July. Remainder of 1948 pooled cotton available for sale is about 2.4 million bales out of a total of 3.8 million pooled.

Through August 17 loans on only 221,262 bales 1949-crop cotton were outstanding out of season total loans on 3,190,150 bales. Redemptions totaled 2,968,888 bales.

Cotton ginned from 1950 crop prior to August 16 totaled 447,000 bales compared with 555,000 bales ginned to same date last season. Ten-year average (1939-48) was about 275,000 bales for the period. Of 447,000 bales ginned to mid-August, about 435,000 bales were Texas cotton. Quality of early ginnings reported running higher this year than last.

## DAIRY BRANCH

Final approval of a Federal milk marketing order for Akron, Ohio, has been announced (August 25). Public hearings establishing need for such an order were held last November. Proposal will be submitted to dairy farmers in a referendum, with two-thirds vote required to put order into effect.

(more)

DAIRY BRANCH (Cont'd)

A recommendation that the present "individual handler" method of pooling milk in the Lowell-Lawrence, Mass., milk marketing area be replaced with a "market-wide" pooling plan was announced this week.

Price-Support Purchases and Sales, through August 19, 1950:

(Figures in Pounds)

<u>Product</u>	<u>Purchases Aug. 14-19</u>	<u>Total 1950 Purchases 1/</u>	<u>1949-50 Purchases Unsold as of Aug. 19</u>
Butter A	289,557	83,784,729	(
Butter B	917,702	41,142,180	( 191,300,000
Butter C	---	---	(
	<u>1,207,259</u>	<u>124,926,909</u>	
Cheese	3,686,417	96,766,402	103,700,000
Spray milk solids	4,554,192	92,226,416	(
Roller milk solids	678,340	234,186,107	( 357,900,000
	<u>5,232,532</u>	<u>326,412,523</u>	

<u>Product</u>	<u>Sales to Trade Week End. August 19</u>	<u>1950 Sales to Domestic Trade</u>
Butter A	944,512	1,117,977
Butter B	---	5,669,561
Butter C	---	632,062
	<u>944,512</u>	<u>7,419,600</u>
Cheese A	41,636	6,458,424
Cheese B	34,939	1,034,035
Cheese C	46,130	398,208
	<u>122,705</u>	<u>7,890,667</u>

1/ Adjusted for contract amendments.

FATS AND OILS BRANCH

Cottonseed Oil:

Beginning February 1950 through August 23, 1950, CCC had made the following sales of cottonseed oil through its Dallas and San Francisco FMA Commodity Offices:

<u>Sales of Crude Pounds</u>	<u>Sales of Refined Pounds</u>	<u>Total Sales Pounds</u>
1/ 143,112,891	44,781,833	187,894,724

1/ Includes 38,739,591 pounds sold for export to Canada, Germany, and Japan.

(more)

FATS AND OILS BRANCH (Cont'd)

Flaxseed and Resultant Linseed Oil - 1949 Program:

From April 18, 1949 to April 19, 1950, CCC had sold 7,545,359 bushels of flaxseed and had purchased 154,498,372 pounds of resultant linseed oil. On April 19, 1950, the operations were decentralized and the FMA Commodity Offices (New York, Chicago, Minneapolis, and San Francisco) have since sold 5,634,069 bushels of flaxseed and purchased 112,790,807 pounds of resultant linseed oil. This reflects through August 23, 1950 total sales of 13,179,428 bushels of flaxseed and total purchases of 267,289,179 pounds of resultant linseed oil. CCC inventory of linseed oil totaled 543,176,000 pounds as of August 23, 1950, including oil acquired under the 1948 Processor Agreement.

Sales of Linseed Oil:

From July 1, 1950 through August 23, 1950, CCC had sold the following quantities of linseed oil through its FMA Commodity Offices at New York, Chicago, and Minneapolis:

<u>Sales for Domestic Use</u> Pounds	<u>Sales for Export</u> Pounds	<u>Total Sales</u> Pounds
12,981,936	360,000	13,341,936

FOOD DISTRIBUTION PROGRAMS BRANCH

A special food drive to increase consumption of Michigan peaches in the next several weeks is being undertaken under the Plentiful Foods Program. The promotion program is being directed to local points in Michigan and in nearby markets including Chicago, Milwaukee, St. Louis and the Twin Cities.

As of August 23, 1950, State distributing agencies, under the provisions of Section 416 of the Agricultural Act of 1949, have placed orders for 13,953,224 pounds of butter, 7,893,340 pounds of cheese, approximately 2,900,000 pounds of dried eggs, 6,400,000 pounds of nonfat dry milk solids, and 84,000,000 pounds of Irish potatoes. Distribution is being made to school lunch programs, charitable institutions, needy Indians, and welfare families.

\*\*\*\*

Hal Bolin left Tuesday for Madison, Wisconsin to join Gordon Gunderson, state school lunch supervisor, in visiting Wisconsin schools and institutions to study their food preservation set-ups.

Stay of Ina Morris in southern Illinois has been extended until Wednesday at the request of the Illinois state agency so that she may assist with more school lunch workshops in that area.

Arthur Siemers will go to Detroit, Thursday to assist with the USDA exhibit at the Michigan State Fair, September 1-10.

## FRUIT AND VEGETABLE BRANCH

Consumer standards for Brussels sprouts became effective August 18, and for kale on August 26. Eight fresh vegetables now have consumer standards. Other six are husked corn on the cob, potatoes, tomatoes, spinach, celery and carrots. Standards for broccoli are being prepared. Consumer standards are permissive rather than mandatory.

Standards for frozen concentrated orange juice have been revised, and the revisions will be effective September 22. Revised standards include both sweetened and unsweetened juice.

Movement of Michigan peaches to market is expected to be particularly heavy during next few weeks, and Food Trades division of FDPB is conducting campaign in Midwest markets to stimulate sales to consumers. Halehaven will be principal variety for next few days, with Elberta being most important variety after Labor Day.

PMA has asked packers to offer canned tomatoes and tomato paste to be used in school lunch programs. Tomatoes may be packed in either No. 2, 2-1/2, or 10 cans, and paste must be packed in No. 10 cans.

### Market News ---

E. R. Mead, of the Washington office who spent a week working in Chicago, has gone to Detroit, Michigan, this week to relieve A. K. Bredin, who is ill. John Leinhard, formerly temporarily assigned to Benton Harbor, is again assigned to Chicago.

State PMA committee representatives met with R. E. Keller and other members of the Fruit and Vegetable Branch last Tuesday to make plans for a referendum of potato growers in North Dakota, Minnesota, Wisconsin, Michigan, Indiana, and Iowa which is expected to be held on amendments to Marketing Order 60. Announcement by the Secretary is anticipated this week.

Purchase of 1950 Irish potatoes through August 22 totaled 4,300,923 hundred-weight. Of this amount; 1,479,961 hundredweight went to livestock feed; 14,969 to penal institutions; 140,385 to Section 416; and 2,665,608 to re-sale.

Export subsidy programs through August 19 stood at:

Fresh oranges,	1,682,604;	\$2,775,533
Canned single strength orange juice,	72,516 cases No. 2's;	\$74,026
Concentrated orange juice,	190,941 gallons;	\$276,742
Honey,	5,648,178 pounds;	\$254,168

Diversion of honey remains at 50,000 pounds, with a cost of \$1,875.

Processed Products-- Max S. Austin is spending the first 3 days of this week in Indiana and Ohio visiting processed products inspection offices in those two states.

(more)

FRUIT AND VEGETABLE BRANCH (Cont'd)

Fresh Products -- Neal Sanborn will be in Fort Worth, Texas, September 8 for a conference of CCC representatives and Texas and Oklahoma peanut handlers with representatives of the inspection service.

GRAIN BRANCH

Wheat crop for 1951 will be supported at national average price of not less than \$1.99 per bushel. Secretary Brannan announced this price on August 21. This is same as support price for 1950 crop, and represents 90 per cent of parity. Under law, Secretary might have reduced support level to 80 per cent of parity, but he chose to keep it at 90 per cent to insure adequate production. "Ample supplies will be a major factor in assuring reasonable food prices to consumers and our ability to meet our international food obligations," Mr. Brannan said. National acreage allotment is 72.8 million acres, which should produce 1,150 million bushels of wheat with average yields.

\* \*

Exports of all U. S. grains during July, were estimated at 28,028,000 bushels, compared with 50,948,000 bushels during July, 1949. Wheat and wheat products totaled 19,038,000 bushels, 11,911,000 bushels less than July, 1949.

\* \*

Officials report some queries from farmers as to "why wheat acreage allotments are being continued." Their answer is to take a look at current supply-demand situation and outlook. U. S. supply of wheat for 1950-51 is 400 - 450 million bushels larger than probable disappearance. 1951 - crop with acreage allotments - is figured at 1,150 million bushels. Total supply for 1951-52 may be close to the all-time record of 1.6 billion bushels in 1942-43 and 1943-44 when large quantities were used for feed and the production of war alcohol, in addition to food. Current prospect is that domestic use for food will not increase, that exports will decline, and that industrial use of wheat will be limited so long as there are large supplies of corn and other grains.

Allotments for 1951 crop are on high side to assure abundance in a program to have a little more wheat than may be actually needed rather than to run the risk of a shortage. Without allotments, there would be excessive use of land for wheat that might better be used for other crops, and excessive plow-up of submarginal land that should be kept in grass. Summer fallowing practices would be disrupted where land normally is rested in alternate years for greater acre yields the following year.

By containing production on the most productive lands it is possible to insure better farming practices, to conserve human as well as physical resources, and to make possible better mobilization of supplies in relation to the demand for wheat when and where it is needed. Consideration includes efficiency and economy in use of transportation, warehousing, and processing facilities.

(more)

### GRAIN BRANCH (Cont'd)

Allotments- now - at the levels needed to obtain required supplies make possible equitable distribution of production by areas and individual farms, whereas, excessive planting for the 1951 crop might result in a 1951-52 supply that would require marketing quotas in 1952.

\* \* \* \*

A. A. Noel, Washington, will visit Kansas City during the early part of this week, conferring with the manufacturer of ventilators for grain drying.

### LIVESTOCK BRANCH

FMA researchers have developed a branding fluid for sheep that will resist exposure to weather, but will scour out of the wool readily. Fluid is made from a base of wool grease (lanolin) carbon tetrachloride, and ordinary paint pigments.

### PERSONNEL

John Whalen, assistant chief of FMA's Personnel Division, Washington, is expected to visit Chicago early this week.

Maurice Ward, chief of the Chicago area Personnel Division, will go to Washington for a conference of area personnel chiefs, Wednesday through Friday of this week.

### POULTRY BRANCH

Dried whole egg purchases for price support mounted again this week from the extremely low levels of the past several weeks. The total buy was 1,525,482 pounds which, with no cancellations, made the net total purchase for the year so far 78,537,626 pounds.

Sales of dried eggs in CCC hands continued fairly heavy under the revised export program, a total of 69,800 pounds moving this week at 30 cents a pound f.a.s. New York. Total sales now stand at 3,349,994 pounds under the export program.

\* \* \*

BAE's report this week of a record turkey crop in prospect for 1950 was in line with the Poultry Branch majority opinion. The report set prospective production at 44,550,000 -- 6 percent more than last year and 1 per cent more than the previous record production of 1945.

The "intentions" report issued in January indicated a 1 percent increase in 1950 production as compared with output in 1949. Branch observers, however, reported indications as early as May to the effect that turkey growers were revising their early intentions upward, particularly the large-scale producers.

### POULTRY BRANCH (Cont'd)

Damage to shell eggs in shipping can be reduced by loading cases more tightly together and stacking only four-high instead of five high. Less than two inches total slack between cases in the railroad car is recommended in report just issued by PMA, "Reduction of Loss and Damage in Rail Transportation of Shell Eggs."

### SUGAR BRANCH

Quota increase of 850,000 short tons, announced this week, raised 1950 quota to 8.7 million short tons, or over 1.1 million tons more than quantity distributed in 1949. Largest quantity ever distributed domestically in any year was 8.1 tons in 1941. Increase in quota for 1950 assures abundant supplies for all purposes.

Distribution by primary distributors for civilian and military use - January 1 - August 19, 1950 - totaled 5,577,585 tons, compared with 4,869,180 tons in like period last year. More than 60 per cent of this increase occurred in July. Increase during August has been running much smaller - only 15 percent above like period in 1949.

\* \* \*

U. S. Department of Commerce announced on August 25, that after September 1, exports of sugar to all destinations except Canada will require licenses "so recent sugar purchases by the U. S. Department of Agriculture to meet U. S. requirements will not be dissipated."

### TOBACCO BRANCH

Referendum votes of tobacco growers will be taken September 28-30, to determine whether the growers want grading and inspection services to be established at three markets in Kentucky, Mayfield, Murray, and Paducah. (Press release August 25)

### TRANSPORTATION AND WAREHOUSING BRANCH

A critical shortage of box cars for bulk grains exists and the peak of shortage will probably not be reached until October. The average daily shortage is estimated at 19,000, and when the peak is reached this figure may double. A considerable number of orders for new cars have been placed by the railroads, but these cars cannot be delivered in time to alleviate to any great extent the shortage this year. The railroads have promised to expedite the handling of cars at inter-change points and in terminals, and to increase their efforts to repair and place in service those cars which are now or later become unserviceable. As a further measure, CCC will load all cars as heavily as practicable.

(more)

TRANSPORTATION AND WAREHOUSING BRANCH (Cont'd)

The Branch has been instrumental in securing a downward adjustment of freight rates on sweet potatoes moving from the Southwest to Eastern destinations. These published reductions, averaging 25 percent became effective September 1, 1950.

Instructions were issued by the Branch for the shipment of approximately 12 million pounds of dried milk from the Minneapolis area to Gulf ports for export to Japan. Arrangements are being completed to effectuate the sale of 10 million pounds of Mexican canned meat to the Army. Title to this commodity will be taken by the Army f.o.b. cars at various locations in Texas and Oklahoma. The wheat export program for the "Army Pacific" program has been increased from 25,000 tons to 75,000 tons per month in the September-December period. Also, in the same period, 25,000 tons of barley each month will be exported to the Army Pacific. These exports are being programmed to move from U. S. West Coast ports, the wheat from the Pacific-Northwest, and the barley from California.

Odd lots of donated commodities continue to be processed under Section 416. During the last two weeks, requisitions were received for 110,000 pounds of cheese, 907,000 pounds of spray milk powder, 290,000 pounds of roller milk powder, and 687,000 pounds of dry whole eggs.

Since August 15, storage space has been developed at Buffalo for about 2 million bushels of grain from the Minneapolis area and for 300,000 bushels of wheat at Norfolk from the Chicago area. The Buffalo space was made possible largely as a result of the shipment of about 1-1/2 million bushels of grain from Buffalo to the ports of Portland, Maine, and Boston.

A. L. Cummings, Washington is scheduled to visit Chicago, and then Minnesota and South Dakota State offices during the week, and E. A. Ellison is scheduled to visit the Iowa state office, to confer on the expansion of grain storage facilities.